Appendices to Metropolitan Wellington Water Services Delivery Plan

August 2025

AUGUST 2025

This is the appendices for the Metropolitan Wellington Water Services Delivery Plan (WSDP).

Assumptions and uncertainties

While the councils have used the best information available to them to prepare this WSDP, it has been necessary to make certain assumptions in relation to matters such as the asset condition and valuation, future delivery of the capital programme and future regulatory requirements. These are set out throughout the WSDP, and in *Appendix C1: Assumptions and uncertainties: Part C investment programme,* accompanied by statements as to the likelihood of an assumption being incorrect and the impact if this is the case. Appendix C1 also sets out uncertainties that could result in reprioritisation of the investment programme. The assumptions and uncertainties identified are not exceptional and are of the type commonly encountered by local authorities when preparing their long-term plans and asset management plans in relation to water services infrastructure.

Information presented in this document is to support water service delivery planning and should not be used for any other purposes without discussion with the Metro Water establishment team.

Prepared by:	Metropolitan Wellington WSDP project team
Prepared for:	Hutt City Council, Porirua City Council, Upper Hutt City Council, Wellington City Council, and Greater Wellington Regional Council
Date:	August 2025
Version:	August 2025 Final
Status:	Final WSDP for submission to the Secretary for Local Government, Department of Internal Affairs

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Appendix A1: Summary of consultation feedback

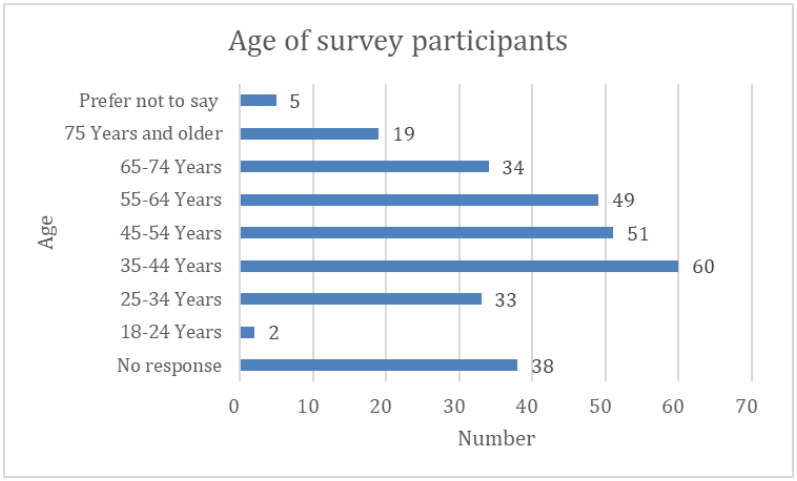
See pages 6-15.

Wellington Metro Water Services Delivery Planning: Summary of views from communities across the proposed joint service area

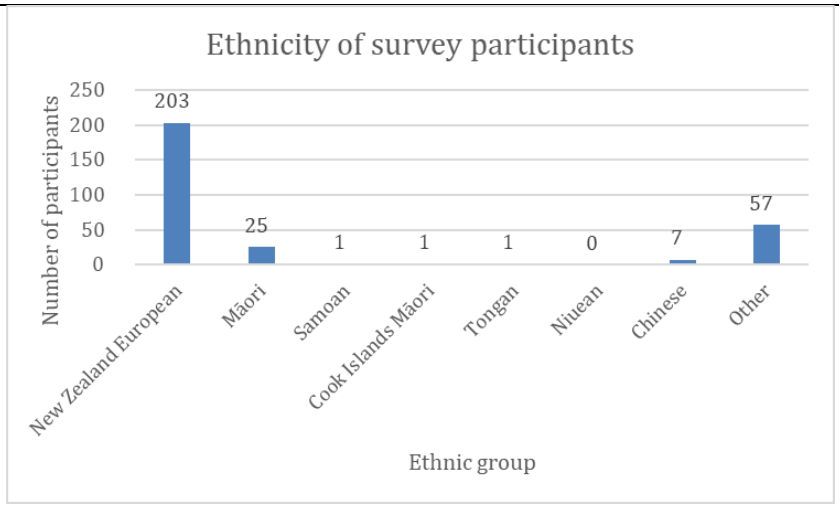
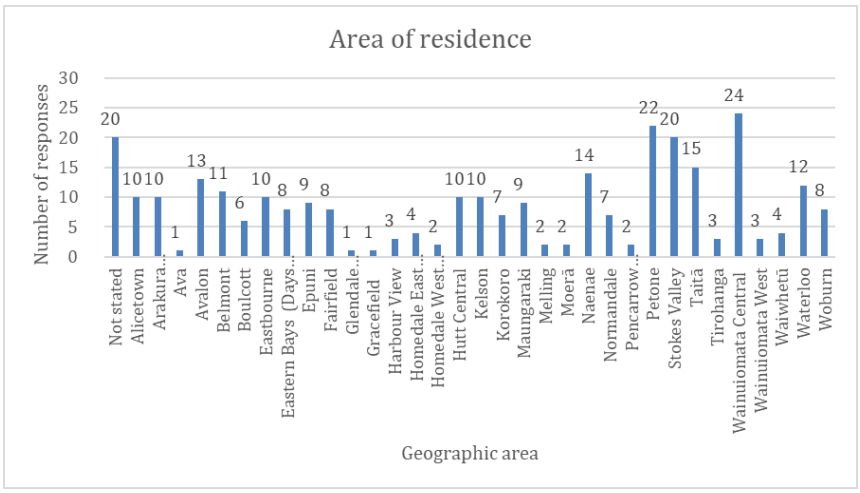
Summary as of 12 May 2025[1]

Through April 2025 Hutt, Porirua, Upper Hutt and Wellington City Councils, along with Greater Wellington Regional Council, undertook public consultation on water service delivery model options. A summary[2] from each council is presented below.

Hutt City Council

Consultation dates:	20 March 2025 to 20 April 2025		
Submissions received:	291		
Preferences	Option 1 – the establishment of a new multi council owned water services organisation	69%	
	Option 2 – a modified version of the existing Wellington Water arrangement	26.6%	
Demographics	Age		
	Gender		

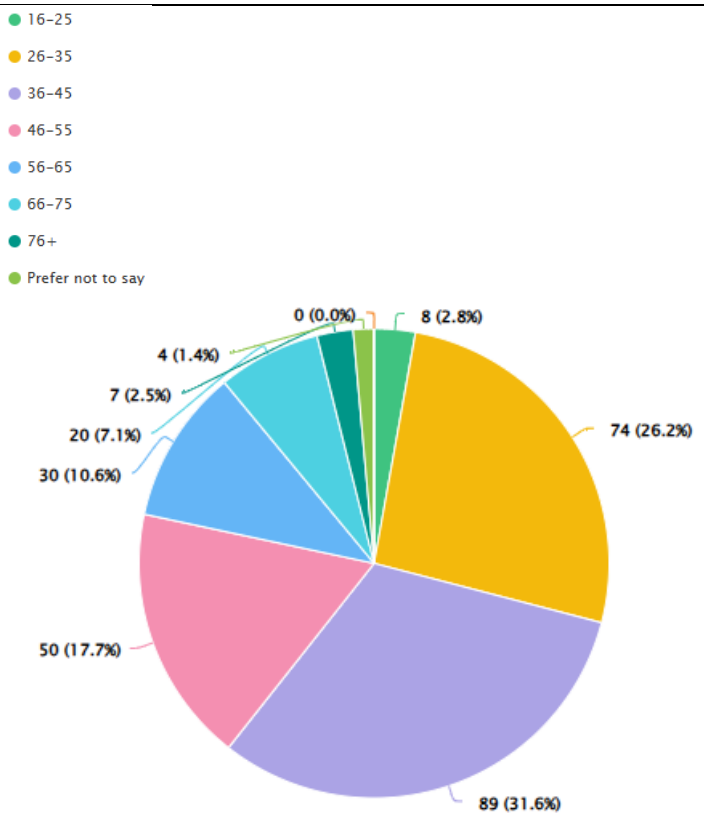
[1] This summary dated 12.05.25 has been prepared ahead of some councils completing all hearings and was correct as of May 2025.
[2] Refer to each Council's deliberations report for full analysis of consultation results.

	Ethnicity	
	Location	
Top themes from free text:		
Infrastructure and Maintenance	Respondents highlighted significant concerns about the ageing water infrastructure in Lower Hutt, particularly the deteriorating condition of pipes and frequent leaks. Many stressed the need for major replacement programs to mitigate the risk of outages and service failures. Additionally, there were frustrations with delayed repairs and short-term maintenance solutions, with calls for a more proactive approach to asset management focusing on systematic upgrades rather than reactive patching.	
Service Delivery and Governance	There was widespread dissatisfaction with the quality and reliability of water services, with frequent disruptions and a lack of responsiveness to issues being common complaints. Wellington Water Ltd was a focal point of criticism, with respondents citing poor management practices, lack of cost control, and perceived inefficiency. Concerns about transparency and public accountability were also evident, with calls for greater openness and clearer governance structures.	
Financial Sustainability	Affordability emerged as a strong theme, with many respondents worried about rising rates and charges related to water services.	

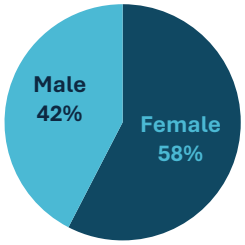
	There were anxieties about the ability to continue paying for essential services if costs rise unchecked. Some participants questioned whether existing funding was being used effectively, calling for more rigorous financial oversight and better prioritisation of essential infrastructure investment over non-core projects.
Water Quality and Environmental Health	Respondents frequently mentioned the need for clean, safe drinking water, with concerns about chlorination, contamination risks, and the overall trustworthiness of the water supply system. The Seaview Wastewater Treatment Plant was singled out for its odour issues, pollution risks, and perceived non-compliance, with calls for urgent upgrades and tighter environmental controls. Stormwater management and urban flooding were also raised as significant concerns.
Future Planning and Climate Resilience	Respondents emphasised the importance of long-term planning and investment to future-proof water infrastructure. Participants stressed the need for sustained investment, strategic asset management, and resilience-focused approaches. Concerns about the effects of climate change on the water network were also raised, with increased rainfall intensity, sea level rise, and the potential for more frequent flooding identified as challenges requiring urgent action.

Porirua City Council

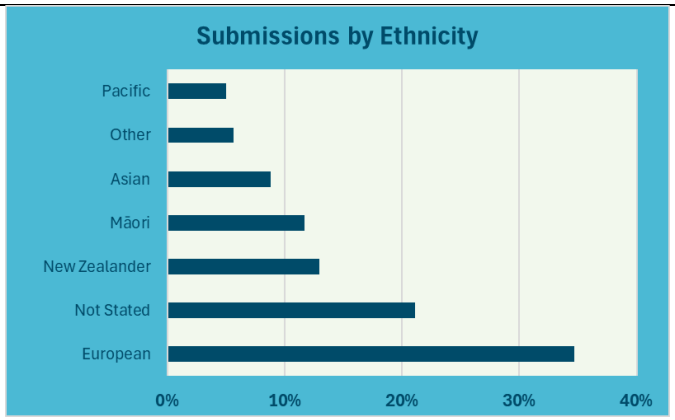
Consultation dates:	20 March – 20 April 2025	
Submissions received:	271	
Preferences	Option 1	77.1 %
	Option 2	22.9 %
Demographics	Age	



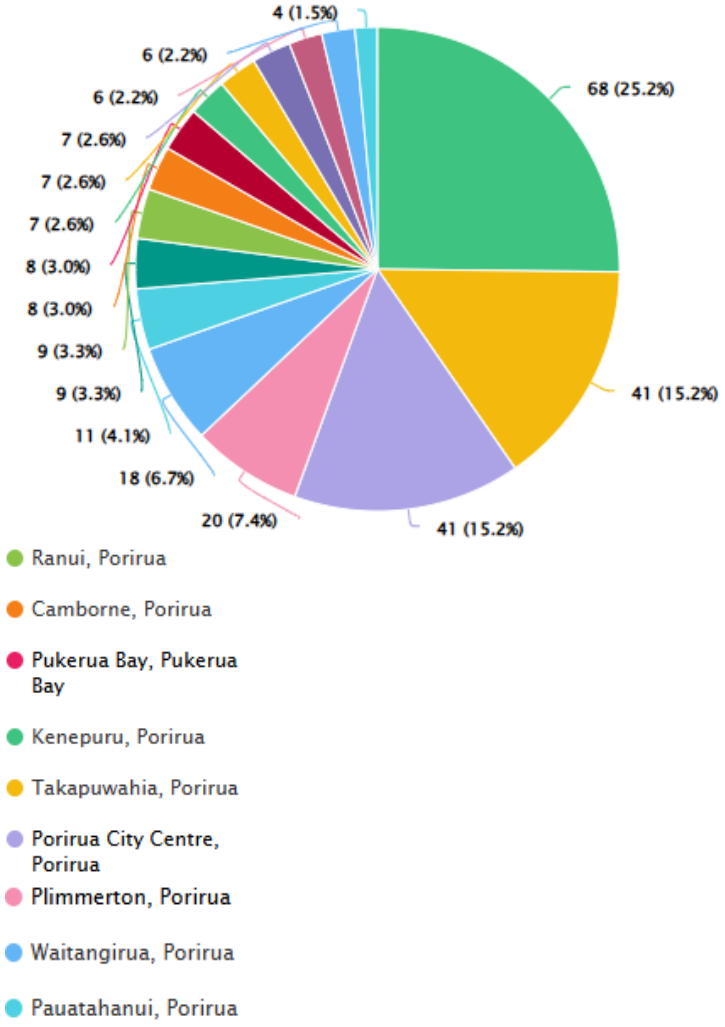
Gender



Ethnicity



European	**35%**
Not Stated	21%
New Zealander	13%
Māori	12%

		Asian 9% **Other** 6% **Pacific** 5%
	Location	
Top themes from free text:		
Affordability	People are worried about how the new water service plan will affect their finances. Many fear that costs will rise for households, especially for big families and those already struggling. Concerns include the introduction of water meters and separate charges for water.	
Management and Responsibility	There's a strong desire for better management and accountability in the new water management setup. Many don't trust current management because of past failures and lack of expertise. People want independent oversight and clear decision-making processes.	
Infrastructure and Resource Use	Feedback points out problems with current infrastructure, like leaks and poor planning. While there's support for centralising water services to boost efficiency, there's scepticism due to past management issues.	
Fairness and Social Impact	Concerns are raised about fair distribution of costs and resources, especially for low-income communities and underfunded councils. There's worry that less affluent councils might bear more burden due to previous underfunding.	
Environment and Sustainability	Many emphasise the need to address environmental issues like stormwater pollution and sustainable water management. There's support for initiatives like grey water recycling and protecting local ecosystems.	

Support for Multi-Council Model and transparency	Majority favour a water organisation owned by multiple councils as a solution to existing challenges. However, there are concerns about how it will be implemented and want clear communication about costs. There's a strong call for more openness and community input in planning and decisions. People want to be informed and have a say in managing and funding water services.

Upper Hutt City Council

<table>
<tr><td>Consultation dates:</td><td colspan="2">24 March – 27 April</td></tr>
<tr><td>Submissions received:</td><td colspan="2">104</td></tr>
<tr><td rowspan="3">Preferences</td><td>Option 1 - Establish a new multi council owned CCO (preferred option)</td><td>84%</td></tr>
<tr><td>Option 2 – Modified version of the current Wellington Water model (with a new planning, regulatory and accountability framework)</td><td>16%</td></tr>
<tr><td colspan="2">(5 responses selected neither option)</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>Demographics</td><td colspan="2">
<table>
<tr><th>Type of submitter</th><th>Yes</th><th>No</th></tr>
<tr><td>Resident</td><td>98%</td><td>2%</td></tr>
<tr><td>Ratepayer</td><td>92%</td><td>8%</td></tr>
<tr><td>Work in Upper Hutt</td><td>27%</td><td>73%</td></tr>
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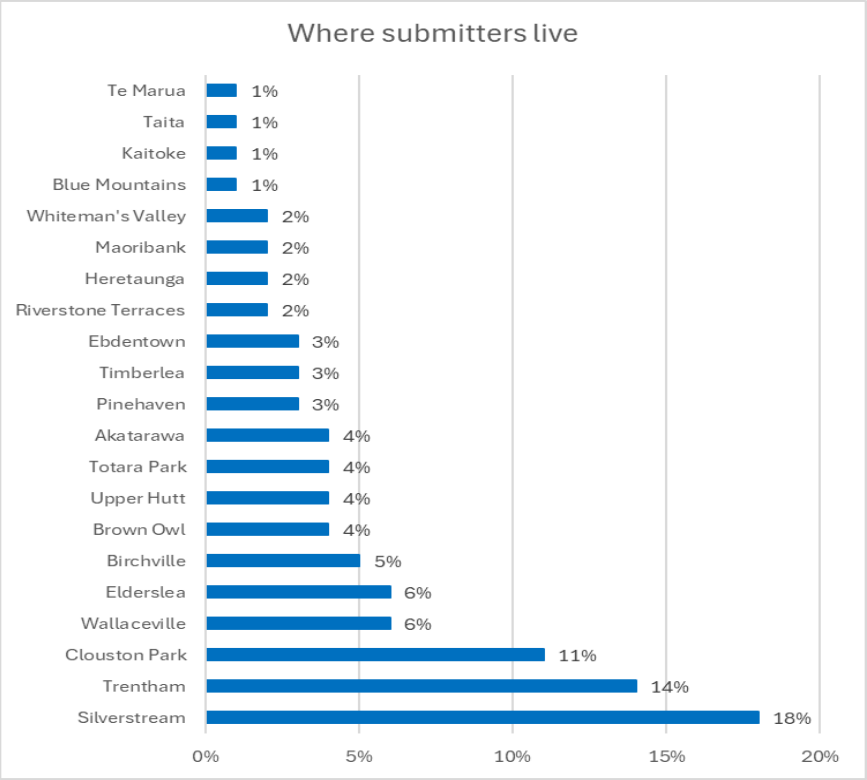


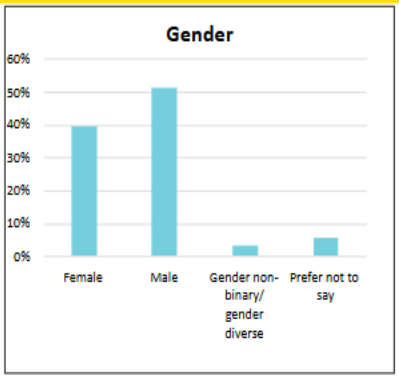
</td></tr>
<tr><td colspan="3">Top themes from free text:</td></tr>
</table>

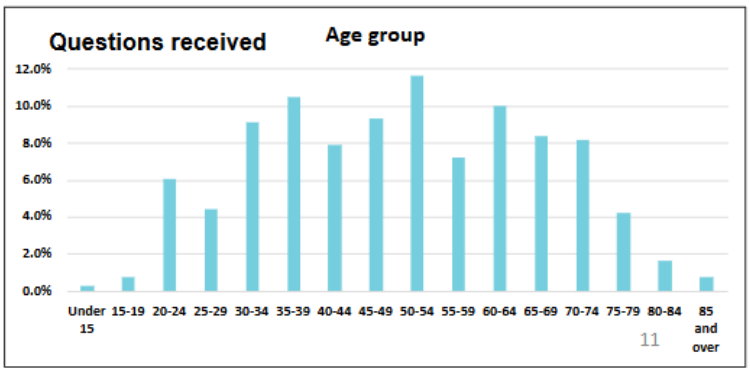
General Support for change	• A clear majority support Option 1 (preferred option for a new multi-council owned water organisation), along with comments that change is needed to address aging infrastructure and systemic issues. • General sentiment that urgent action is needed to fix water infrastructure and governance. • Underlying frustration with a long history of mismanagement, rate increases, and poor service delivery. • A significant number of comments were on concerns, frustration and issues with the current Wellington Water model and its performance.
Cost, Rates and Affordability	• Extensive comments and concerns regarding high rates, financial modelling being unclear or lacking detail, and criticism of debt-driven spending. • Comments on the cost of establishing a new entity.
Better Infrastructure Investment and Management	• Strong asset management planning and information are essential before any new billing systems are introduced. • Infrastructure upgrades and pipe replacements and must be accelerated. Reactive leak repairs are inefficient; proactive full pipe replacement should be prioritised. • Mixed views on water meters: some strongly opposed to water meters, citing affordability concerns and fear of hidden charges. Others support water metering for conservation and fairness, especially if essential water use remains free or subsidised.
Governance, Capability and Accountability	• Numerous comments of distrust in the current governance, lack of water expertise, and mismanagement over decades. • Concerns a new entity might just replicate Wellington Water's failures unless governance and leadership are entirely overhauled. • Calls for greater public accountability, including transparent audits. • Comments against potential future privatisation, and in support of having protections for consumers and vulnerable users.

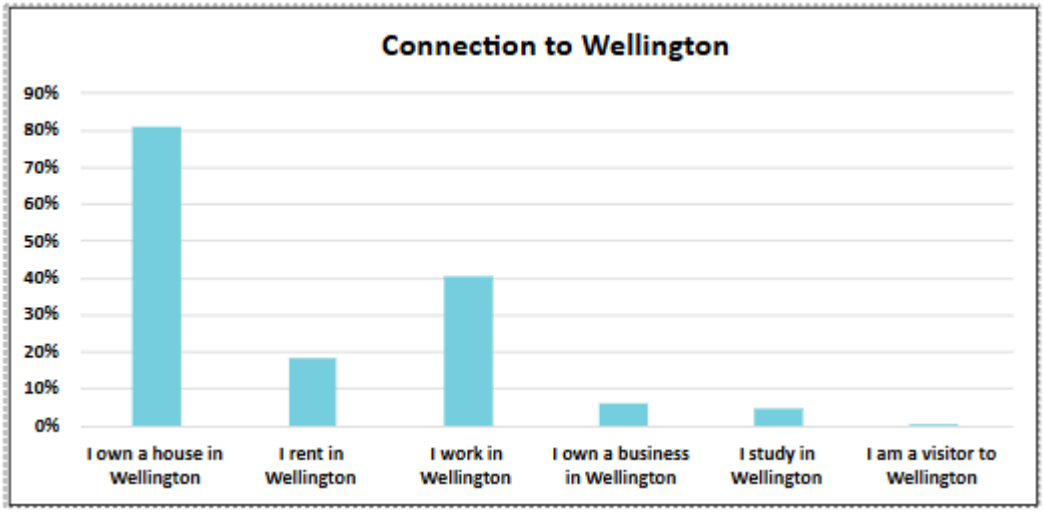
Wellington City Council

Consultation dates:	20 March – 21 April 2025	
Submissions received:	713	
Preferences (Submission / Residents' Survey)	Option 1 – establish multi council CCO (preferred option)	Submission: 72% Residents' survey: 82%
	Option 2 – establish WCC only CCO	Submission: 15% Residents' survey: 8%
	Option 3 – retain existing arrangements (modified to meet legislative requirements)	Submission: 13% Residents' survey: 10%

Demographics

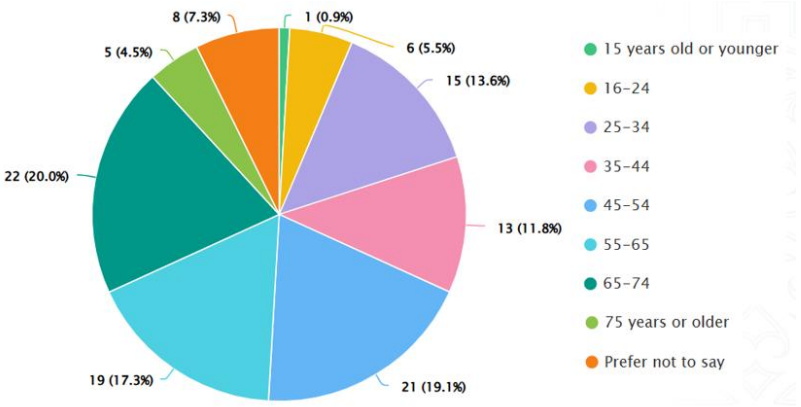
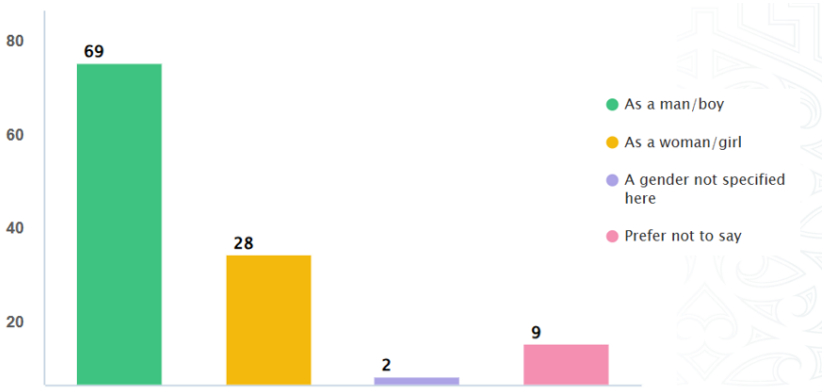
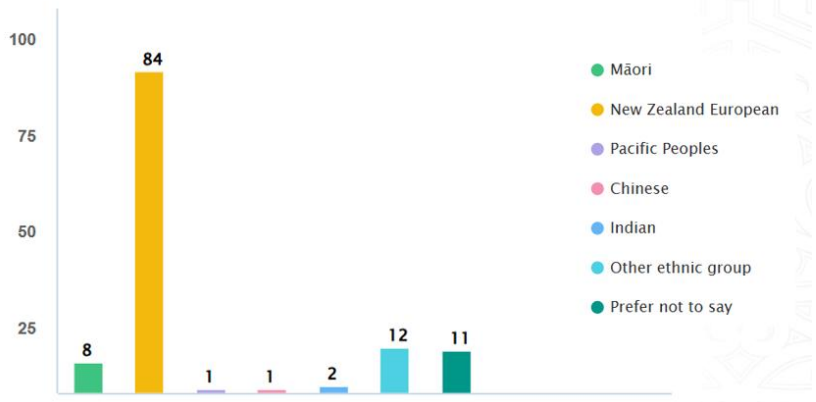


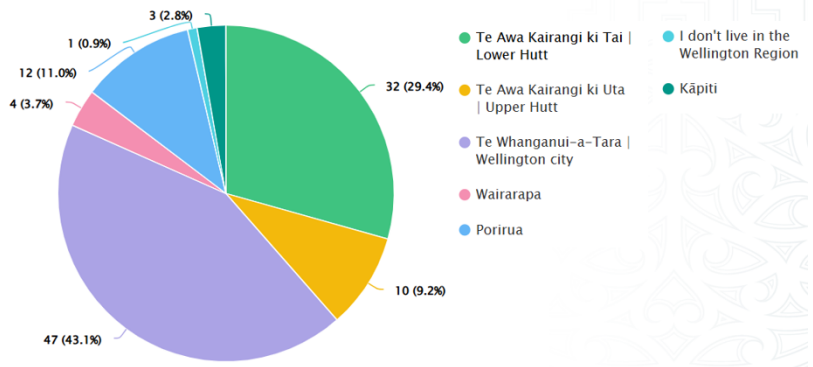




Top themes from free text:	
Support for a New Multi-Council-Owned Entity	In support of option 1, submitters identified the opportunity for greater efficiencies, the existing inter-connectedness of the network, access to increased funding and better positioned for the future / long term planning.
Wellington Water performance	Submitters raised concerns about the performance of Wellington Water, noting concerns about contractor management and costs.
Strong leadership and accountability is important	Submitters identified the need for transparency of decision making, costs an outcomes noting the need to work in partnership (option 1) and for effective governance to be in place for any delivery model. Submitters expressed views on the need for subject expertise / infrastructure expertise to be represented on the Board and minimal /no political representation.
Water charges / affordability	A number of submissions raise concerns about the affordability of increased water charges alongside increasing council rates. Some identified a concern for non-ratepayers ill now have to pay for water usage (i.e. meters). General support for equity to be a factor when setting water charges.
Privatisation	Several submissions are concerned at the possibility (now or into the future) of water assets being privatised.

Greater Wellington

Consultation dates:	20 March – 22 April	
Submissions received:	113	
Preferences	Option 1	79.6 %
	Option 2	20.4 %
Demographics	Age	
	Gender	
	Ethnicity	

	Location	
Top themes from free text:		
Distrust in Current Management	▪ Many comments express a lack of trust in Wellington Water's ability to manage water infrastructure effectively. There are concerns about poor management, blame culture, and inefficiency. ▪ The submitters feel that Wellington Water has failed to deliver on its promises and has wasted resources, leading to a call for a new management structure.	
Support for a New Multi-Council-Owned Entity	▪ A significant number of comments supported the preferred option (out of the two presented), a new multi-council-owned water organization. This is seen to improve accountability, efficiency, and long-term planning. ▪ The new entity is expected to leverage regional assets better and provide a more unified approach to water management.	
Need for Improved Accountability and Transparency	▪ There is a strong demand for greater accountability and transparency in water management. The submitters indicated that clear oversight and democratic control over the new water entity is very important. ▪ Ensuring that the new organisation operates with public ownership and transparency is a priority for many respondents.	
Environmental improvements and Te Titiri	▪ Many respondents emphasised the importance of environmental responsibility and long-term planning in water management. They want the new entity to prioritise climate resilience and sustainable practices. ▪ There is a call for the new organisation to uphold Te Tiriti o Waitangi obligations and involve Māori groups in governance.	
Concerns About Privatisation and GW's land holdings	▪ Several comments express concerns that centralising water assets could lead to future privatisation, despite current assurances to the contrary ▪ The public wants guarantees that water resources will remain publicly owned and managed for the benefit of all ▪ Submitters also want to ensure that GW-owned lands stay in GW ownership.	

Appendix A2: Assurance process

This Appendix sets out:

- Assurance process undertaken in respect of this WSDP.
- Legal statement in respect of whether this WSDP meets the requirements of the Act.

Assurance

This table outlines details of assurance processes.

Council inputs and oversight	Details and limitations
Regular check ins and confirmation of direction and assumptions with council officials and elected members – including Council Responsible Officer Group (ROG), Chief Financial Officers (CFOs), Chief Executives (CEs), and Advisory Oversight Group (AOG).	• Agreed programme and governance structure. • Series of meetings, direction and decisions and regular programme reporting to CE Steering Group. • Series of meetings and direction from AOG. • Series of meetings, direction and decisions from ROG and CFOs. • Weekly programme meetings. • Detail: Meetings, actions, direction and minutes.
Council and Wellington Water review and input to draft material including review and feedback on the draft WSDP.	• Review and checking of direction and assumptions, seeking endorsement, direction and decisions through meetings, as above. • Review and feedback from councils as the WSDP is developed including on investment programme, financial modelling, and the draft WSDP. This included full review and feedback of the 30 May version of the WSDP by councils and Wellington Water. • Detail: council comment, review and feedback.
A series of council decisions and reports to elected members	Progressive series of workshops and council or committee decisions across five councils, including but not limited to: • Delivery model options for consultation • Delivery model for WSDP • Adoption of WSDP • Detail: council workshop and council or committee papers
Consultation process review of submissions, hearing processes and elected member decisions	Council consultation and engagement processes as summarised in Part A of this report and appendix A1, including hearings, deliberations and decisions. Detail: council consultation and engagement materials, council deliberations reports.
Regular alignment meetings between the programme team and DIA on draft documents, financial modelling and identification of assurance points to review and align development of the WSDP	Progressive series of meetings and feedback from DIA. Detail: emails and minutes of meetings with DIA.
Specialist independent advice, and input on key areas of the WSDP and establishment planning	

Legal review and advice	Legal advice and support on requirements of the Act and content of WSDP from Simpson Grierson Detail: ongoing legal advice plus legal review of WSDP and letter from Simpson Grierson
Network investment, investment sufficiency, AMP	Advisory support and information in relation to Part B and Part C of the WSDP from Wellington Water, Waugh Consulting, Black Consulting, Scott Consulting, Brockway Consulting. Engagement with LGFA on financing assumptions. Council and three waters AMPs from Wellington Water.
Clear assumptions book for financial modelling including qualifications on information including assumptions and limitations	Advisory support and information in relation to Part C of the WSDP. Series of assumptions, limitations and qualifications relating to financial modelling from Mafic Consulting, Morrison Low, Scott Consulting, and Council CFOs. Council and three waters AMPs from Wellington Water.
Financial modelling (including using the DIA model template as the basis)	Advisory support and information in relation to Part C of the WSDP. Build, test and validation of financial model – Mafic Consulting, and Scott Consulting. DIA model base build and review of model.
Debt and capital advisory	Advisory support and information in relation to Part C of the WSDP - Mafic Consulting, Scott Consulting, Engagement with LGFA on financing assumptions, PwC and Council CFOs. Regarding the proposed glide path to reach covenant compliance, written assurance has been received from LGFA that they will consider a longer seven-year transition, allowing Metro Water to achieve the 8% compliance target by FY33.
Implementation plan: functional leads and advice including legal, IT, customer experience, operations, and organisational design	Advisory support and information in relation to Part D and E of the WSDP. Scott Consulting, Simpson Grierson, BlueBeacon, Wellington Water, Brockway Consulting.
Legal review of the WSDP and statement that the WSDP meets requirements of the Act	Legal review of content, compliance with legislation and limitations from Simpson Grierson. For more detail, refer to legal statement below.

Legal statement in respect of whether this WSDP meets the requirements of the Act

SIMPSON GRIERSON

14 July 2025

Partner Reference
P McNamara - Auckland

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Sent by Email

Wellington Metro Water Services Delivery Plan: compliance with Local Government (Water Services Preliminary Arrangements) Act 2024

1. On 11 July 2025 we completed our review of the final draft of the Wellington Metro Water Services Delivery Plan (**WSDP**) for compliance with the relevant requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024 (**Act**).

2. Subject to our comments in paragraphs 3 to 5 below, we consider the WSDP meets the Act's content requirements and that (while identifying appropriate assumptions and uncertainties) the information contained in the plan can be certified as true and accurate.

3. Section 13(1)(n) of the Act requires a water services delivery plan to contain an explanation of what the territorial authority proposes to do to ensure that the delivery of water services will be financially sustainable by 30 June 2028. The definition of "financially sustainable" in s5 of the Act includes a territorial authority being financially able to meet all regulatory standards and requirements for the authority's delivery of water services.

4. There is some uncertainty as to how s13(1)(n) will be interpreted by the Secretary for Local Government when the WSDP is submitted for acceptance under s18 of the Act. While we understand that the investment programme in the WSDP will not result in water services in the Wellington metro area meeting all regulatory standards and requirements by 30 June 2028, published guidance from the Department of Internal Affairs indicates that:

   (a) When considering the three factors involved in achieving financial sustainability (revenue sufficiency, investment sufficiency and financing sufficiency), councils should keep affordability of water charges front-of-mind; and

   (b) The way these factors interact, and the choices councils make around delivery models and financing to deliver benefits for consumers, should be determined at a local level.

5. Accordingly, the WSDP's explanation of how financial sustainability will be achieved, and the Secretary for Local Government's assessment of the WSDP against s13(1)(n), in our view requires consideration of several factors that can, where required, be appropriately

balanced and take into account relevant constraints (including affordability and practical delivery constraints).

6. Relevant sections of the WSDP, including Appendix B4, appropriately identify assumptions and uncertainties related to various aspects of the WSDP. As the WSDP itself notes, the assumptions and uncertainties identified are not exceptional, and are of the type commonly made and encountered by local authorities when preparing their long-term plans and asset management plans in relation to water services infrastructure. In our view they do not and should not prevent chief executives being able to provide the certification required under s18 of the Act.

7. For the purposes of s18, we consider the chief executives of the participating territorial authorities and Greater Wellington Regional Council can properly certify that:

   (a) the WSDP complies with the Act; and

   (b) the information contained in the WSDP provided by their local authority is true and accurate.

Yours faithfully
SIMPSON GRIERSON

Padraig McNamara | Partner
Liam Stevens | Solicitor

Appendix A3: Council resolutions to adopt this WSDP

Hutt City Council - Tuesday 19 August 2025

Resolved: (Mayor Barry/Cr Stallinger) **Minute No. C 25402**

"That Council:

1. formally adopts the joint Water Services Delivery Plan (WSDP) for the Wellington metropolitan area, as attached at Appendices 1 & 2 to this report, noting that the WSDP:
    a. is based on the Department of Internal Affairs (DIA) template and guidance, including for financial modelling;
    b. has had input and development from a range of technical experts;
    c. has been the subject of legal and technical reviews;
    d. has been subject to independent financial and deliverability model peer review;
    e. has used the best available information and includes detailed risk analysis; and
    f. has been certified by the Chief Executive that it complies with the Local Government (Water Services Preliminary Arrangements) Act 2024 and that the information contained in the WSDP provided by Hutt City Council is true and accurate.
2. notes that following adoption by all five councils the joint Water Service Delivery Plan will be submitted to the Secretary for Local Government (via the Department for Internal Affairs) on behalf of all five councils by the legislated deadline of 3 September 2025;
3. notes the draft foundation documents presented with this report represent the collective direction to date and will continue to be developed further;
4. endorses the draft Constitution as attached as Appendix 5, noting that the draft Constitution will be approved by the Advisory Oversight Group (AOG) and then finalised for ratification by Council and partner organisations post local elections;
5. endorses the draft terms for the Partners Agreement as attached as Appendix 6, noting that the draft Agreement will be approved by the AOG and then finalised for ratification by Council and partner organisations post local elections;
6. endorses the principles for the development of the Statement of Expectations (SOE) as attached as Appendix 7, noting that the principles for the SOE will be finalised for ratification by Council and partner organisations post local elections with the SOE to then be finalised and approved by the Partners' Committee; and
7. endorses the principles for assisting the new water services council-controlled organisation to develop a Customer Charter as attached as Appendix 8, noting that these principles will be finalised for ratification by Council and partner organisations post local elections and will be incorporated into the final SOE as an outcome to be implemented by the Company."

For the reason that Council is required to adopt a Water Services Delivery Plan to submit to government by 3 September 2025.

Porirua City Council - Thursday 21 August 2025

Moved: Mayor Anita Baker

Seconded: Councillor Geoff Hayward

RESOLVED 2025/37

That the Council | Te Kaunihera o Porirua:

1. Receive the report.
2. Agree to formally adopt the joint Water Services Delivery Plan (WSDP) for the Wellington metropolitan area, noting that the WSDP:
    a. is based on the Department of Internal Affairs (DIA) template and guidance, including for financial modelling;
    b. has had input and development from a range of technical experts;
    c. has been the subject of robust legal and technical reviews;
    d. has been subject to independent financial and deliverability model peer review;
    e. has used the best available information and includes detailed risk analysis; and
    f. has been certified by the Chief Executive that it complies with the Local Government (Water Services Preliminary Arrangements) Act 2024 and that the information contained in the WSDP provided by Porirua City Council is true and accurate.
3. Note that following adoption by all five councils the joint Water Service Delivery Plan will be submitted to the Secretary for Local Government (via the Department for Internal Affairs) on behalf of all five councils by the legislated deadline of 3 September 2025;
4. Note the draft foundation documents presented with this report represent the collective direction to date and will continue to be developed further.
5. Agree to:
    a. endorse the draft Constitution, noting that the draft Constitution will be approved by the AOG and then finalised for ratification by Council and partner organisations post local elections;
    b. endorse the draft terms for the Partners' Agreement, noting that the draft Agreement will be approved by the AOG and then finalised for ratification by Council and partner organisations post local elections;
    c. endorse the principles for the development of the Statement of Expectations (SOE), noting that the principles for the SOE will be finalised for ratification by Council and partner organisations post local elections and the final SOE will be finalised and approved by the Partners' Committee;
    d. endorse the principles for assisting Metro Water to develop a Customer Charter, noting that these principles will be finalised for ratification by Council and partner organisations post local elections and will be incorporated into the final SOE as an outcome to be implemented by the Company.

CARRIED

Upper Hutt City Council - Wednesday 20 August 2025

MOVED: Councillor Carson / Mayor Guppy

"That Council:

A. receives the report, titled Adoption of Local Water Done Well Joint Water Services Delivery Plan;
B. adopts the joint Water Services Delivery Plan for the Wellington metropolitan area, as attached at Attachment 1 and Attachment 2 to this report, noting that the Water Services Delivery Plan:
    i. is based on the Department of Internal Affairs (DIA) template and guidance, including for financial modelling;
    ii. has had input and development from a range of technical experts;
    iii. has been the subject of robust legal and technical reviews;
    iv. has been subject to independent financial and deliverability model peer reviews;
    v. has used the best available information and includes detailed risk analysis; and
    vi. has been certified by the Chief Executive that it complies with the Local Government (Water Services Preliminary Arrangements) Act 2024 and that the information contained in the Water Services Delivery Plan provided by Upper Hutt City Council is true and accurate.
C. notes that following adoption by all five councils the joint Water Service Delivery Plan will be submitted to the Secretary for Local Government (via the Department for Internal Affairs) on behalf of all five councils by the legislated deadline of 3 September 2025;
D. notes the draft foundation documents presented with this report represent the collective direction to date and will continue to be developed further
E. endorses the draft Constitution as attached as Attachment 5, noting that the draft Constitution will be approved by the Advisory Oversight Group and then finalised for ratification by Council and partner organisations post local elections;
F. endorses the draft terms for the Partners Agreement as attached as Attachment 6, noting that the draft Agreement will be approved by the Advisory Oversight Group and then finalised for ratification by Council and partner organisations post local elections;
G. endorses the principles for the development of the Statement of Expectations (SoE) as attached as Attachment 7, noting that the principles for the SoE will be finalised for ratification by Council and partner organisations post local elections, and that the SOE will be finalised and issued by the Partners' Committee;
H. endorses the principles for assisting Metro Water to develop a Customer Charter as attached as Attachment 8, noting that these principles will be finalised for ratification by Council and partner organisations post local elections and will be incorporated into the final Statement of Expectations as an outcome to be implemented by the Company."

MOTION CARRIED: C 250501

Wellington City Council - Wednesday 20 August 2025

3.1 Report of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Meeting of 20 August 2025

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

Local Water Done Well – Adoption of Joint WSDP and Agreement of Draft Governance Documents

That Te Kaunihera o Pōneke | Council:

1. Formally adopts the joint Water Services Delivery Plan (WSDP) for the Wellington metropolitan area.

Carried

Greater Wellington Regional Council – Thursday 21 August 2025

On 21 August 2025 Greater Wellington Regional:

2. Noted that the joint Water Services Delivery Plan (WSDP) for the Wellington metropolitan area:
    a. is based on the Department of Internal Affairs (DIA) template and guidance including for financial modelling;
    b. has had input and development from a range of technical experts;
    c. has been the subject of robust legal and technical reviews;
    d. has been subject to independent financial and delivery model peer review;
    e. has used the best available information and includes detailed risk analysis;
    f. has been certified by the Chief Executive that it complies with the Local Government (Water Services Preliminary Arrangements) Act 2024 (the Act) and that the information contained in the WSDP provided by Greater Wellington is true and accurate.
3. Adopted the joint Water Services Delivery Plan (WSDP) for the Wellington metropolitan area.
4. Noted that, following adoption by all five councils, the joint Water Service Delivery Plan will be submitted to the Secretary for Local Government (via the Department for Internal Affairs) on behalf of all five councils by the legislated deadline of 3 September 2025.

Appendix B1: Levels of service and performance

The tables throughout this appendix summarise the FY2023/24 levels of service and FY2024/25 level of service projections based on the investment levels in the councils 2024-34 Long Term Plans. These forecasts have come directly from each council's Asset Management Plans.

Greater Wellington Regional Council

Water supply - safety of drinking water

The Council provides safe and reliable potable water for household and business use in urban areas.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Non-compliant	Non-compliant
The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Non-compliant	Compliant

Note, the 2023/24 bacteria non-compliance result is due to the 'new' (2022) DWQAR chlorine contact time requirement and applies to part of Lower Hutt only (and the GWRC Waterloo treatment plant). The 2023/24 protozoa result is due to a 1min exceedance above allowable turbidity at the Wainuiomata WTP.

Water supply - fault response times

The Council provides a responsive call-out service to attend to customers' issues with their water supply.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Median response time to attend urgent call-outs	<=90 mins	0 mins (no urgent call-outs)	N/A
Median response time to resolve urgent call-outs	<= 8 hours	0 hours (no urgent call-outs)	N/A
Median response time to attend non-urgent call-outs	<= 72 hours	0 hours (no non-urgent call-outs)	N/A
Median response time to resolve non- urgent call-outs	<= 20 working days	0 days (no non-urgent call-outs)	N/A

Water supply - demand management and water loss

The Council promotes the efficient and sustainable use of water.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The percentage of real water loss from the local authority's networked reticulation system	<= 0.25%	0.08%	No change
Average consumption of drinking water per day per resident	<385L	409L	Compliant

Water supply - customer satisfaction

The Council provides a responsive call-out service to attend to customers' issues with their water supply.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<=20	0 complaints	No change

Hutt City Council

Water supply – safety of drinking water

Measure: The Council provides safe and reliable potable water for household and business use in urban areas.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Non-compliant	Non-compliant
The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Non-compliant	Compliant

Note, the 2023/24 bacteria non-compliance result is due to the 'new' (2022) DWQAR chlorine contact time requirement and applies to part of Lower Hutt only (and the GWRC Waterloo treatment plant). The 2023/24 protozoa result is due to a 1min exceedance above allowable turbidity at the Wainuiomata WTP.

Water supply – fault response times

Measure: The Council provides a responsive call-out service to attend to customers' issues with their water supply.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Median response time to attend urgent call-outs	<=90 mins	101 mins	Meet LOS
Median response time to resolve urgent call-outs	<= 8 hours	4.6 hours	Continue to meet LOS
Median response time to attend non-urgent call-outs	<= 72 hours	191 hours	Stabilisation but not meeting LOS.
Median response time to resolve non-urgent call-outs	<= 20 working days	16 working days	Stabilisation, meeting LOS.

Water supply – demand management and water loss

Measure: The Council promotes the efficient and sustainable use of water.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The percentage of real water loss from the local authority's networked reticulation system	<=20%	35%	Incremental improvement
Average consumption of drinking water per day per resident	<385L	422L	Stabilisation or small improvement

Water supply – customer satisfaction

Measure: The Council provides a responsive call-out service to attend to customers' issues with their water supply.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<=20	31.7	Improvement

Wastewater – system and adequacy

Measure: Adequate wastewater services for household and business use will be provided in currently serviced urban communities.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<20	1.7	Continue to meet LOS

Wastewater – fault response times

Measure: Council will respond as required to faults and complaints received from its customers.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Median response time to attend a sewerage overflow resulting from a blockage or other fault in the sewerage system	<= 90 mins	159 mins	Improvement
Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 8 hours	12.4 hours	Improvement

Wastewater - customer satisfaction

Measure: Council will respond as required to faults and complaints received from its customers.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<=30	24.1	Continue to meet LOS

Wastewater - discharge compliance

Measure: The Council's wastewater services do not negatively impact on public health or the natural environment in line with legislative requirements

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	0	Improvement at WWTP leading to less regulatory action

Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	15	Improvement at WWTP leading to less regulatory action
Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	Improvement at WWTP leading to less regulatory action
Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	Improvement at WWTP leading to less regulatory action

Stormwater - performance measures

The Stormwater performance measures are detailed in the table below.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The number of flooding events that occurred throughout the year	<=2	0	Weather dependant
For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<0.24	N/A - No flooding events	Weather dependant
Median response time to attend a flooding event	<=8 hours	N/A - No flooding events	Weather dependant
The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<=20	8.5	Deteriorating

Stormwater - discharge compliance

Measure: The Council receives no abatement notices, infringement notices, enforcement orders or prosecutions.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	N/A
Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	N/A
Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	N/A

Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	N/A

Porirua City Council

Water supply – safety of drinking water

Measure: The Council provides safe and reliable potable water for household and business use in urban areas

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Compliant	Compliant
The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Compliant	Compliant

Water supply – fault response times

Measure: The Council provides a responsive call-out service to attend to customers' issues with their water supply.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Median response time to attend urgent call-outs	<=90 (mins)	86 mins	Close to or meeting LOS target
Median response time to resolve urgent call-outs	<= 8 (hours)	2.9 hours	Continue to meet LOS
Median response time to attend non-urgent call-outs	<= 20 days	6 working days	Continued deterioration
Median response time to resolve non-urgent call-outs	<= 20 days	11 working days	Continued deterioration

Water supply – demand management and water loss

Measure: The Council promotes the efficient and sustainable use of water.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The percentage of real water loss from the local authority's networked reticulation system	<= 20%	30%	Improvement
Average consumption of drinking water per day per resident	<320L	329L	Improvement

Water supply – customer satisfaction

Measure: The Council provides a responsive call-out service to attend to customers' issues with their water supply.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<=20	33	Deteriorating, not meeting LOS

Wastewater – system and adequacy

Measure: Adequate wastewater services for household and business use will be provided in currently serviced urban communities.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<20	4.9	Status quo, meet LOS

Wastewater – fault response times

Measure: Council will respond as required to faults and complaints received from its customers.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Median response time to attend a sewerage overflow resulting from a blockage or other fault in the sewerage system	<= 80 mins	79 mins	Status quo, will not meet LOS
Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 8 hours	2.7 hours	Status quo, meet LOS

Wastewater - customer satisfaction

Measure: Council will respond as required to faults and complaints received from its customers.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<=30	29	Status quo, may meet LOS

Wastewater - discharge compliance

Measure: The Council's wastewater services do not negatively impact on public health or the natural environment in line with legislative requirements.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	0	Increasing compliance
Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	1	Increasing compliance
Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	Increasing compliance
Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	Increasing compliance

Stormwater - performance measures

The Stormwater performance measures are detailed in the table below.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The number of flooding events that occurred throughout the year	<=2	0	Weather dependant
For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<0.24	N/A	Weather dependant
Median response time to attend a flooding event	<=8 hours	N/A	Weather dependant
The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<=20	8	Status quo, may not meet LOS (weather dependant)

Stormwater - discharge compliance

Measure: The Council receives no abatement notices, infringement notices, enforcement orders or prosecutions.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	N/A
Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	N/A
Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	N/A
Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	N/A

Upper Hutt City Council

Water supply – safety of drinking water

Measure: The Council provides safe and reliable potable water for household and business use in urban areas.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	100%	Compliant
The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	100%	Compliant

Water supply – fault response times

Measure: The Council provides a responsive call-out service to attend to customers' issues with their water supply.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Median response time to attend urgent call-outs	<60 mins	76 mins	Close to or meeting LOS target
Median response time to resolve urgent call-outs	<4 hours	2.2 hours	Close to or meeting LOS target
Median response time to attend non-urgent call-outs	<36 hours	238 hours	Continued deterioration

Median response time to resolve non-urgent call-outs	<15 days	27 days	Continued deterioration

Water supply – demand management and water loss

Measure: The Council promotes the efficient and sustainable use of water.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The percentage of real water loss from the local authority's networked reticulation system	<20%	41%	Improvement
Average consumption of drinking water per day per resident	<415L	450L	Improvement

Water Supply – customer satisfaction

Measure: The Council provides a responsive call-out service to attend to customers' issues with their water supply.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<20	12.3	Deteriorating but likely meeting LOS

Wastewater – system and adequacy

Measure: Adequate wastewater services for household and business use will be provided in currently serviced urban communities.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<20	0.1	Status quo, meet LOS

Wastewater – fault response times

Measure: Council will respond as required to faults and complaints received from its customers.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Median response time to attend a sewerage overflow resulting from a blockage or other fault in the sewerage system	<=60 mins	80 min	Status quo, likely will not meet LOS
Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<=6 hours	3.4 hours	Status quo, meet LOS

Wastewater - customer satisfaction

Measure: Council will respond as required to faults and complaints received from its customers.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<=30	10	Status quo, meet LOS

Wastewater - discharge compliance

Measure: The Council's wastewater services do not negatively impact on public health or the natural environment in line with legislative requirements.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	0	Improvement at WWTP leading to less regulatory action
Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	15	Improvement at WWTP leading to less regulatory action
Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	Improvement at WWTP leading to less regulatory action
Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	Improvement at WWTP leading to less regulatory action

Stormwater - performance measures

The Stormwater performance measures are detailed in the table below.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The number of flooding events that occurred throughout the year	<=2	0	Weather dependant
For each flooding event, the number of habitable floors affected; expressed per 1,000 connections	<=0.64	0	Weather dependant
Median response time to attend a flooding event	<60 mins	0	Weather dependant
The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<=20	2.1	Status quo, likely to meet LOS

Stormwater - discharge compliance

Measure: The Council receives no abatement notices, infringement notices, enforcement orders or prosecutions.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	N/A
Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	N/A
Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	N/A
Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	N/A

Wellington City Council

Water supply – safety of drinking water

Measure: The Council provides safe and reliable potable water for household and business use in urban areas.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Compliant	Compliant

The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Non-compliant	Compliant

Water supply – fault response times

Measure: The Council provides a responsive call-out service to attend to customers' issues with their water supply.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Median response time to attend urgent call-outs	<60 mins	151 minutes	Status quo, not meeting LOS
Median response time to resolve urgent call-outs	<4 hours	13.6 hours	Status quo, not meeting LOS
Median response time to attend non-urgent call-outs	<36 hours	555 hours	Improvement, not meeting LOS
Median response time to resolve non-urgent call-outs	< 5 days	45.1 days	Improvement, not meeting LOS

Water supply – demand management and water loss

Measure: The Council promotes the efficient and sustainable use of water.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The percentage of real water loss from the local authority's networked reticulation system	<20%	28%	Improvement
Average consumption of drinking water per day per resident	<365L	416L	Improvement

Water supply – customer satisfaction

Measure: The Council provides a responsive call-out service to attend to customers' issues with their water supply.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<20	23.2	Static or improving

Wastewater – system and adequacy

Measure: Adequate wastewater services for household and business use will be provided in currently serviced urban communities

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	Zero	2.9	Cannot reach level of service

Wastewater – fault response times

Measure: Council will respond as required to faults and complaints received from its customers.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Median response time to attend a sewerage overflow resulting from a blockage or other fault in the sewerage system	<=60 mins	80 minutes	Status quo, likely will not meet LOS
Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 6 hours	4.7 hours	Status quo, likely will not meet LOS

Wastewater - customer satisfaction

Measure: Council will respond as required to faults and complaints received from its customers.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<30	19.8	Deteriorating

Wastewater - discharge compliance

Measure: The Council's wastewater services do not negatively impact on public health or the natural environment in line with legislative requirements.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	1	Improvement at WWTP leading to less regulatory action
Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	3	Improvement at WWTP leading to less regulatory action
Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	Improvement at WWTP leading to less regulatory action
Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	Improvement at WWTP leading to less regulatory action

Stormwater - performance measures

The Stormwater performance measures are detailed in the table below.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
The number of flooding events that occurred throughout the year	<=2	0	Weather dependant
For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<=0.13	0	Weather dependant
Median response time to attend a flooding event	<=60 mins	0	Weather dependant
The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<20	8.4	Deterioration of network, likely to meet LOS

Stormwater - discharge compliance

Measure: The Council receives no abatement notices, infringement notices, enforcement orders or prosecutions.

Performance Measure	Target	2023/24 Result	2024/25 Forecast
Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	N/A
Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	N/A
Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	N/A
Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	N/A

Appendix B2: Council specific asset base and condition

This appendix provides an overview of each council's asset base. The information presented in this section comes from a combination of:

- the councils' latest valuations – used for asset quantities and values
- asset data provided directly from Wellington Water in April 2025 – used for condition grading, and
- Wellington Water's water-specific and council specific Asset Management Plans (AMPs).

There are slight differences between these data sources due to the timing of when each was published or pulled from the asset data base. For example, the council valuations will all have a view of the councils' assets at the time the valuations were published (between March 2023 and May 2025). The condition data provided by Wellington Water in comparison relates to an April 2025 view of assets in the Wellington Water asset register. While there is some misalignment between data sources, the impact of this is considered immaterial.

Note also that individual mechanical, electrical, or structural components within pump stations may have undergone condition assessments but in some instances, there may not be sufficient assessment completed to provide an overall 'site-level' rating. This may contribute to the relatively low level of asset condition ratings on pump stations relative to other asset types.

Hutt City Council

Hutt City Council has $4.8 billion[3] of drinking water, wastewater and stormwater assets (excluding land). The full value of the Joint Venture wastewater assets used by Hutt City and Upper Hutt City are captured under HCC's asset base.

Water Type	Asset Type	Quantity	Replacement value
Water Supply	Pipe network	704km	$838M
	Fittings (valves, hydrants, meters, valve chambers etc.) and laterals	-	$122M
	Reservoirs	24 Sites	$70M
		26 Tanks	
	Pump Station Sites	17	$31M
Total Water Supply Replacement Value			**$1,061M**
Wastewater	Pipes	587km (HCC)	$1,026M
		101km (HVJV)	$622M (~$435M HCC value)
	Fittings (gauging stations, valves, manholes etc.)	- (HCC)	$158M
		- (HVJV)	$86M (~$60M HCC value)
	Treatment Plants	1 (HVJV)	$106M (~$74M HCC value)
	Pump Station Sites	28 (HCC)	$28M
		29 (HVJV)	$56M (~$39M HCC value)

[3] Optimised Replacement Cost from May 2024 valuation, inflated to 2025 dollars.

Water Type	Asset Type	Quantity	Replacement value
	Storage	2 (HVJV)	$13M (~$9.1M HCC value)
Total Wastewater Replacement Value			**$2,097M**
Stormwater	Pipes	466km	$1,606M
	Fittings (valves, manholes etc)	-	$231M
	Pump Station Sites	12	$20M
	Detention Dams	16	$9M
Total Stormwater Replacement Value			**$1,867M**
Total Three Waters Replacement Value			**$5,024M**

Water Supply Network

Of HCC's 704km of pipe network, approximately 177kms (26%) is overdue for renewal (in backlog). By 2054 over 60% of HCC's water supply network will need to be renewed.

A large amount of asbestos cement pipe that was installed post-World War 2 and cast-iron pipe laid prior to World War 2 that remains in service is driving the high renewal requirements. As with asbestos pipe, the cast-iron pipes are brittle, slowly corroding and vulnerable to failure immediately after an earthquake. The asbestos cement pipes were installed with specific housing development in areas like Stokes Valley, Taita, Naenae and Wainuiomata. Cast iron pipes are mainly located in Petone. Asset replacement will need to focus on specific geographic areas as failure levels accelerate. There are also heavily corroded galvanized iron ridermains in the Hutt Valley that contribute to high levels of leakage and are in immediate need of replacement.

Wastewater Network

Of the 587kms of wastewater network, only approximately 8% is overdue for replacement but a significant amount is reaching its end of life over the next 30 years. Like the water supply network, over 60% is due for renewal by 2054.

The Hutt Valley wastewater joint venture includes pipe assets that are of very high criticality because they are the "trunk" delivery pipes to the Seaview wastewater plant. Around 7km of the joint venture network (7%) is overdue renewal and by 2054, over 50% will require renewal.

The high level of renewals likely to be needed in the next 30 years is primarily an outcome of materials selected and date of installation. Wastewater pipes made of concrete and earthenware are always vulnerable to corrosion and this has been evidenced through the condition assessment of the VHCAs such as the main interceptor. In addition, the Seaview to Pencarrow outfall pipe was laid in the late 1950s and has been found to have pipe joint failures.

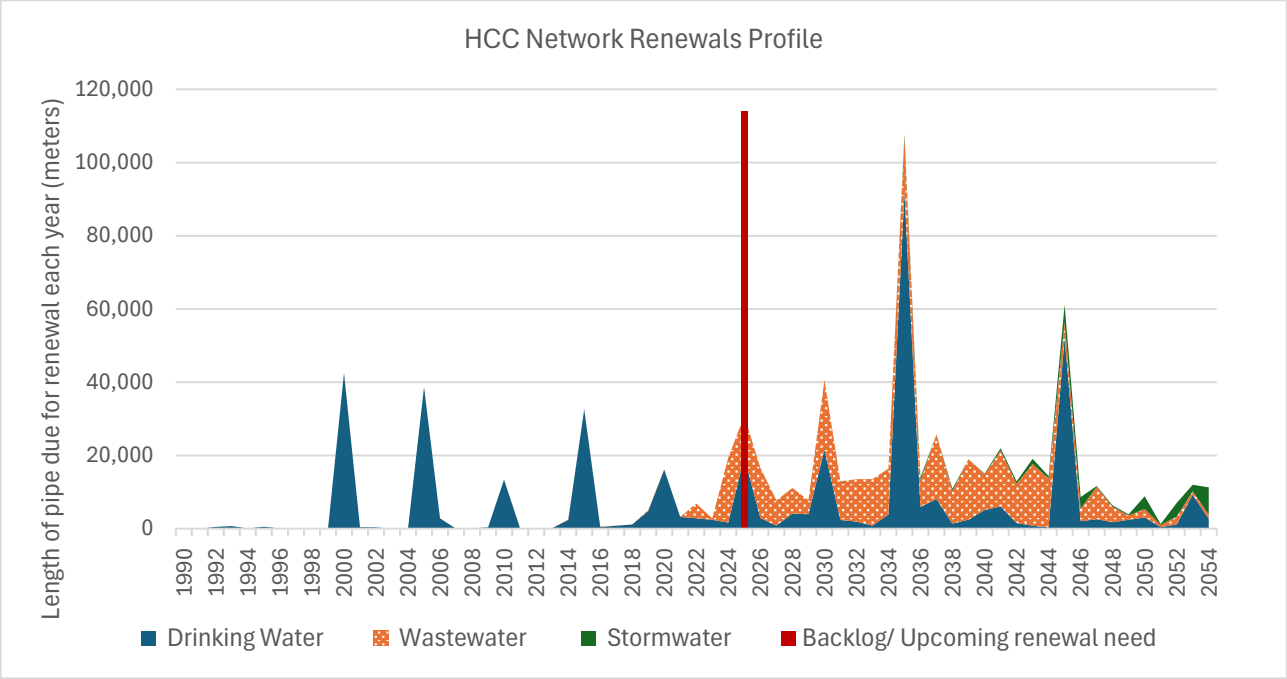
Assessment of the interceptor near Melling across and alongside SH2 identified significant internal corrosion highlighting the importance to intervene before failure occurs.

Stormwater Network

HCC's stormwater network is in better condition than the drinking water and wastewater networks. Only 3% past its expected life with just under 30% requiring renewal over the next 30 years. Because of the high groundwater table in the Hutt Valley, many of the very highly critical stormwater pipes have bespoke construction (i.e. not circular pipes). This means that their repair can be expensive.

The table below summarises the condition and criticality of HCC's pipe network.

Water Type	Quantity	Backlog	Average Age	% of network with condition rating	% of network in unknown condition	% of network in good or very good condition	% of network in moderate condition	% of network in poor or very poor condition
Water Supply	704km	26%	42 years	95%	5%	37%	18%	40%
Wastewater	587km	8%	51 years	97%	3%	53%	14%	30%
Wastewater JV	101km	7%	52 years	99%	1%	48%	28%	22%
Stormwater	466km	3%	52 years	98%	2%	78%	3%	17%



Wastewater Treatment Plant

The Seaview wastewater treatment plant is a very highly critical facility. Within this facility are critical assets that on failure would result in supply disruption, health and safety risks in the immediate vicinity, offensive odour, flooding and environmental pollution.

The Seaview wastewater treatment plant was significantly modified as a Design Build Operate contract that ran its time in 2020 after 20 years of service. The expected lives of many of the mechanical and electrical assets means that a significant renewals burden has arisen post termination of the contract. Failure of these assets heightens the risk of consent non-compliance and unplanned discharges to the environment. A significant replacement item in the immediate future is the gas fired dryer.

Reservoirs

Hutt City Council has known reservoirs (eg, Gracefield and Naenae) where structural condition or contamination risk means that replacement or significant modification is the only solution.

Pump Stations

A significant portion of pump stations rely on aging electrical panels and control systems. Visual inspections have been carried out, but systematic asset-level mechanical condition data is incomplete. Flooding of low-lying sites, limited spare capacity, and parts obsolescence pose operational risks.

The table below summarises the condition and criticality of HCC's three waters assets, excluding pipe network, fittings, laterals and stormwater storage/ detention dams.

Water Type	Asset Type	Quantity	% of assets with condition rating	% of assets in unknown condition	% of assets in good or very good condition	% of assets in moderate condition	% of assets in poor or very poor condition
Water Supply	Reservoirs	26	100%	0%	36%	48%	16%
	Pump Station Sites	17	13%	87%	7%	0%	7%
Wastewater	Treatment Plants	1 plant 1117 unique assets	94%	6%	67%	16.7%	7%
	Pump Station Sites	28 (HCC) 29 (HVJV)	9% 38%	91% 62%	0% 5%	9% 10%	0% 24%
Stormwater	Pump Station Sites	16	100%	0%	8%	67%	25%

Porirua City Council

Porirua City Council has $1.6 billion[4] of drinking water, wastewater and stormwater assets (excluding land). PCC currently fully owns the Porirua Wastewater Treatment Plant which is also used by Wellington City. Therefore, the full value of this asset is captured under PCC's asset base.

Water Type	Asset Type	Quantity	Replacement value
Water Supply	Pipes	437km (inc. laterals)	$316M
	Reservoirs	16 Sites	$54M
		19 Tanks	
	Fittings (valves, hydrants, meters, valve chambers etc.) and laterals	-	$35M
	Pump Station Sites	15	$10M
	Emergency Water Treatment Plant	1	$5M
Total Water Supply Replacement Value			**$419M**
Wastewater	Pipes	433km (PCC)	$367M
		11km (PWJV)	$25M *(~$19M PCC value)*
	Fittings (gauging stations, valves, manholes etc.)	-(PCC)	$97M
		-(PWJV)	$0.9M *(~$0.6M PCC value)*
	Treatment Plants	1	$87M *(~$63M PCC value)*
	Pump Station Sites	62 (PCC)	$31M
		3 (PWJV)	$14M *(~$10M PCC value)*
Total Wastewater Replacement Value			**$632M**
Stormwater	Pipes	357km	$454M
	Fittings (valves, manholes etc), laterals, channels and storage	-	$122M
Total Stormwater Replacement Value			**$577M**

[4] Optimised Replacement Cost from May 2025 valuation.

Water Type	Asset Type	Quantity	Replacement value
Total Three Waters Replacement Value			**$1,628M**

Water Supply Network

A significant issue for Porirua is the rise in the number of water supply pipe assets that will reach the expected end of their life in the next 30 years. Approximately 11 % is past its expected life and by 2054, 49% of the water network will need to be renewed.

PCC has a lot of asbestos cement pipe. The remaining life of these assets is largely determined by the loss of cement in the pipe wall over time. Early failure history of pipes are also a good indication of the network reaching its end of life.

Wastewater Network

Only 5% of PCC's wastewater network is overdue for replacement but a significant amount reaching its end of life in the next 30 years. By 2054, 68% of the network requires renewal. This high upcoming renewal requirement is due to the high use of asbestos cement pipe that was used in the wastewater network as government housing developments proceeded post-World War 2. The continually failing Paremata Rising main along SH1 is an example of such a pipe.

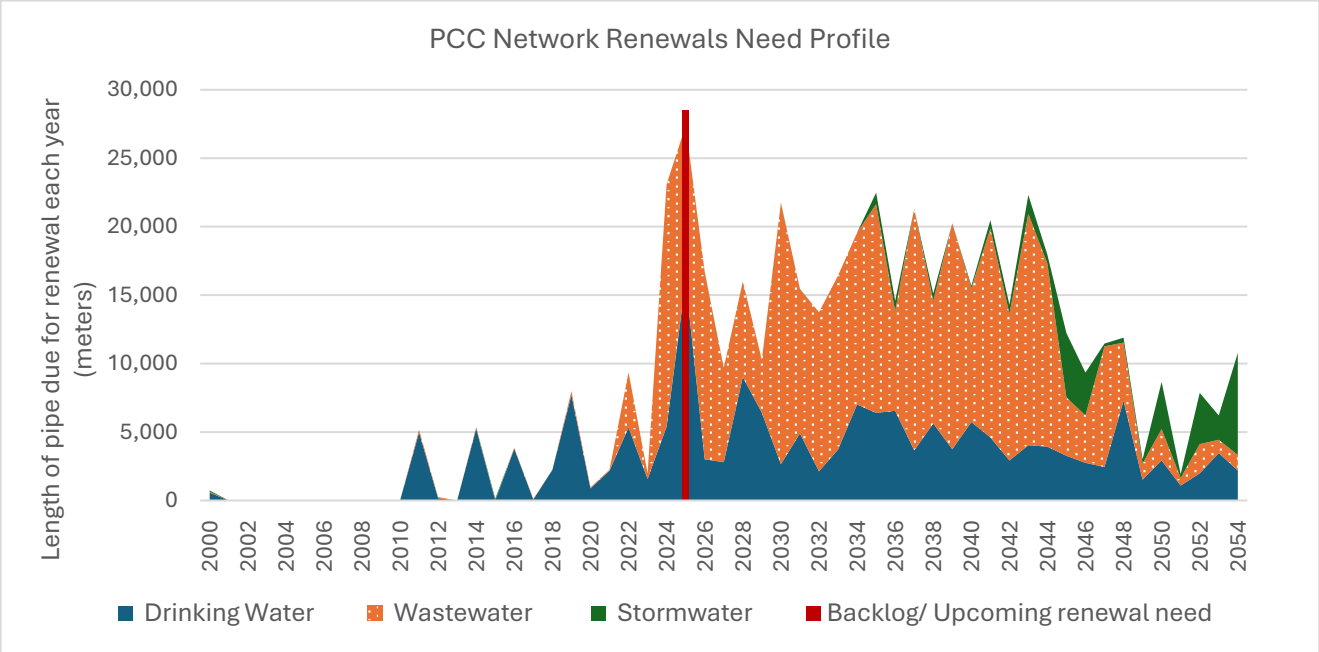
The wastewater joint venture network is relatively new. None of this network is overdue renewal.

Stormwater Network

PCC's stormwater network is relatively new. Only 200m is past its expected life – less than 1% of the overall network – and little more is due for renewal over the next 10 years. PCC's stormwater network starts to become due for constant renewal from 2040 onwards. There is an opportunity to ensure the stormwater network does not fall into backlog.

The table below summarises the condition and criticality of PCC's pipe network.

Water Type	Quantity	Backlog	Average Age	% of network with condition rating	% of assets in unknown condition	% of network in good or very good condition	% of network in moderate condition	% of network in poor or very poor condition
Water Supply	362km (excluding laterals)	11%	36	93%	7%	51%	18%	24%
Wastewater	433km	5%	40	96%	4%	66%	25%	5%
Wastewater JV	11km	0%						
Stormwater	357km	0%	39	94%	6%	93%	1%	1%



Wastewater Treatment Plants

The Porirua wastewater treatment plant is a highly critical facility. Within this facility are critical assets that on failure would result in supply disruption, health and safety risks in the immediate vicinity, offensive odour, flooding and environmental pollution.

Although significant upgrade/renewal work has been done at the plant in recent years, a rigorous maintenance and renewal plan must be maintained in a plant that contains short lived mechanical/electrical assets that operate in a harsh environment. Failure of these assets heightens the risk of consent non-compliance and unplanned discharges to the environment.

Reservoirs

All reservoirs have been visually assessed with emphasis on contamination and health and safety risks. Seismic vulnerability is a significant concern, with some structures unlikely to meet current resilience requirements.

Pump Stations

Like other councils, condition data is incomplete, with many grades assigned from age profiles rather than inspections. Aging infrastructure, lack of redundancy at some sites, and vulnerability to electrical/control system failures are key risks.

The table below summarises the condition and criticality of PCC's three waters assets, excluding pipe network, fittings, laterals and stormwater storage/ detention dams.

Water Type	Asset Type	Quantity	% of assets with condition rating	% of assets in unknown condition	% of assets in good or very good condition	% of assets in moderate condition	% of assets in poor or very poor condition
Water Supply	Reservoirs	19	83%	17%	22%	22%	39%
	Pump Station Sites	15	0%	100%	0%	0%	0%
Wastewater	Treatment Plants	1 plant 724 unique assets	94%	6%	72%	17%	5%
	Pump Station Sites	62 (PCC) 3 (PWJV)	13%	87%	2%	6%	5%

Water Type	Asset Type	Quantity	% of assets with condition rating	% of assets in unknown condition	% of assets in good or very good condition	% of assets in moderate condition	% of assets in poor or very poor condition
Stormwater		Note, PCC network condition and criticality is provided in the previous table, above. There are no stormwater pump stations or other major infrastructure in the PCC network.					

Upper Hutt City Council

Upper Hutt City Council has $1.4 billion[5] of drinking water, wastewater and stormwater assets (excluding land). The value of the Joint Venture wastewater assets used by Hutt City and Upper Hutt City are shown in italics in the table below. These values have been excluded from the 'Total Wastewater Replacement Value' and 'Total Three Waters Replacement Value' for UHCC in the table below. Instead, the full value of the Joint Venture assets is captured in HCC's total asset table as this is currently how they are captured in the councils' valuations.

Water Type	Asset Type	Quantity	Replacement value
Water Supply	Pipes	292km	$346M
	Reservoirs	13 Sites	$41M
		27 Tanks	
	Fittings (valves, hydrants, meters, valve chambers etc.) and laterals	-	$63M
	Pump Station Sites	9 pump stations	$11M
Total Water Supply Replacement Value			**$461M**
Wastewater	Pipes	231km	$362M
		101km (HVJV)	*$622M (~$187M UHCC value)*
	Fittings (gauging stations, valves, manholes etc.) and laterals	-(UHCC)	$77M
		-(HVJV)	$86M (~$26M UHCC value)
	Treatment Plant	1	*$106M (~$32M UHCC value)*
	Storage	2 (HVJV)	*$13M (~$4M UHCC value)*
	Pump Station Sites	18 (UHCC)	$9M
		29 (HVJV)	*$56M (~$39M UHCC value)*
Total Wastewater Replacement Value			**$448M**
Stormwater	Pipes	162km	$459M
	Fittings (valves, manholes etc)	-	$73M
	Pump Station Sites	7	$8M
	Channels	51km	$5M
Total Stormwater Replacement Value			**$545M**
Total Three Waters Replacement Value			**$1,454M**

[5] Optimised Replacement Cost from May 2024 valuation, inflated to 2025 dollars.

Water Supply Network

Approximately 5% of UHCC water supply network is past its expected life. By 2054 around 40% is due for renewal. The high renewal requirements are because of the amount of asbestos cement pipe that was installed as Upper Hutt developed post war – but later than in Hutt City.

Wastewater Network

Around 7% of the wastewater network is overdue for replacement but a significant amount reaching its end of life in the next 30 years. By 2054, 60% of the wastewater network must be renewed. Failure of HCA and VHCA wastewater pipes will result in structural collapse and lengthy overflows of untreated wastewater into the immediate receiving environments such as beaches, harbours or waterways.

The Hutt Valley wastewater joint venture includes pipe assets that are of very high criticality because they are the "trunk" delivery pipes to the Seaview wastewater plant. Around 7km of the joint venture network (7%) is overdue renewal and by 2054, over 50% will require renewal.

The high level of renewals likely to be needed in the next 30 years is primarily an outcome of materials selected and date of installation. Wastewater pipes made of concrete and earthenware are always vulnerable to corrosion and this has been evidenced through the condition assessment of the VHCAs such as the main interceptor. In addition, the Seaview to Pencarrow outfall pipe was laid in the late 1950s and has been found to have pipe joint failures.

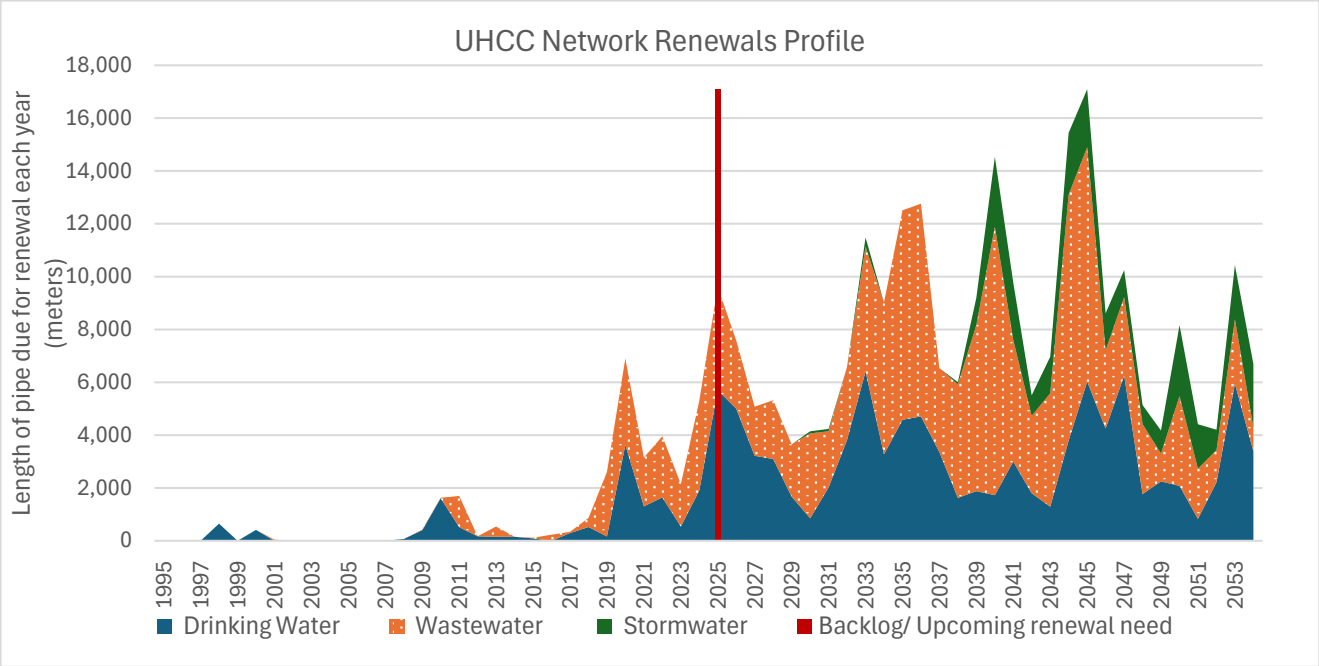
Assessment of the interceptor near Melling across and alongside SH2 identified significant internal corrosion highlighting the importance to intervene before failure occurs.

Stormwater Network

Generally, the condition of UHCC's stormwater network is newer and should require low renewal rates for the next 30 years. No portion of the network is in backlog, but over the next 30 years, 17% will require renewal. Regardless of the relatively new age of the stormwater network, around 30% is in poor or very poor condition. There is an opportunity to renew the network before it is overdue renewal.

The table below summarises the condition and criticality of UHCC's pipe network.

Water Type	Quantity	Backlog	Average Age	% of network with condition rating	% of network in unknown condition	% of network in good or very good condition	% of network in moderate condition	% of network in poor or very poor condition
Water Supply	292km	5%	36 years	95%	5%	58%	22%	14%
Wastewater	231km	8%	39 years	96%	4%	48%	28%	22%
Wastewater JV	101km	7%	52 years	99%	1%	48%	28%	22%
Stormwater	162km	0%	36 years	95%	5%	52%	13%	30%



Wastewater Treatment Plant

As noted in the HCC overview, the Seaview wastewater treatment plant is a very highly critical facility. Within this facility are critical assets that on failure would result in supply disruption, health and safety risks in the immediate vicinity, offensive odour, flooding and environmental pollution.

The Seaview wastewater treatment plant was significantly modified as a Design Build Operate contract that ran its time in 2020 after 20 years of service. The expected lives of many of the mechanical and electrical assets means that a significant renewals burden has arisen post termination of the contract. Failure of these assets heightens the risk of consent non-compliance and unplanned discharges to the environment. A significant replacement item in the immediate future is the gas fired dryer.

Pump stations

There are gaps in the condition assessment of any of UHCC's pump stations. This creates uncertainty in understanding the reliability and performance risks associated with these critical assets. Without this information, it is difficult to prioritise renewals or plan for potential failures. Addressing this data gap should be a priority for Metro Water to ensure network resilience and effective asset management going forward.

Reservoirs

All reservoirs have been visually assessed with emphasis on contamination and health and safety risks. Over 60% of reservoirs are in moderate condition or worse however, in most cases, interim mitigation can be achieved through minor works and regular maintenance.

The table below summarises the condition and criticality of UHCC's three waters assets, excluding pipe network, fittings, laterals and stormwater storage/ detention dams.

Water Type	Asset Type	Quantity	% of assets with condition rating	% of assets in unknown condition	% of assets in good or very good condition	% of assets in moderate condition	% of assets in poor or very poor condition
Water Supply	Reservoirs	27	100%	0%	37%	59%	4%
	Pump Station Sites	9	0%	100%	0%	0%	0%
Wastewater	Pump Station Sites	18	0%	100%	0%	0%	0%

Water Type	Asset Type	Quantity	% of assets with condition rating	% of assets in unknown condition	% of assets in good or very good condition	% of assets in moderate condition	% of assets in poor or very poor condition
Stormwater	Pump Station Sites	7	100%	0%	14%	29%	57%

Wellington City Council

Wellington City Council has $8.5 billion[6] of drinking water, wastewater and stormwater assets (excluding land). As noted, the full value of the Joint Venture wastewater assets used by Wellington City and Porirua City are captured under PCC's asset base. They have been excluded from the table below and text within this section of the WSDP to avoid duplication.

The value of the Joint Venture wastewater assets used by Porirua City and Wellington City are shown in italics in the table below. These values have been excluded from the 'Total Wastewater Replacement Value' and 'Total Three Waters Replacement Value' for WCC in the table below. Instead, the full value of the Joint Venture assets is captured in PCC's total asset table as this is currently how they are captured in the councils' valuations.

Water Type	Asset Type	Quantity	Replacement value
Water Supply	Pipes	935km	$1,349M
	Fittings (valves, hydrants, meters, valve chambers etc.) and laterals	-	$431M
	Reservoirs	67 Tanks	$605M
		47 Emergency Tanks	
	Pump Station Sites	35	$66M
Total Water Supply Replacement Value			**$2,450M**
Wastewater	Pipes	1,077km	$2,159M
		11km (PWJV)	*$25M (~$7M WCC value)*
	Fittings (gauging stations, valves, manholes etc.) and laterals	-(WCC)	$666M
		-(PWJV)	*$0.9M (~$0.2M WCC value)*
	Treatment Plants	3 (WCC – includes Cary's Gully)	$366M
		1 (PWJV)	*$87M (~$23M WCC value)*
	Tunnels	12km	$274M
	Pump Station Sites	67 (WCC)	$79M
		3 (PWJV)	*$14M (~$4M WCC value)*
Total Wastewater Replacement Value			**$3,544M**
Stormwater	Pipes	723km	$2,013M
	Fittings (valves, manholes etc)	-	$294M
	Tunnels and culverts	3.1km	$142M
	Pump Station Sites	5	$5M
Total Stormwater Replacement Value			**$2,455M**
Total Three Waters Replacement Value			**$8,449M**

[6] Optimised Replacement Cost from June 2024 valuation, inflated to 2025 dollars.

Water Supply Network

Approximately 16% of the water network is past its expected life and therefore overdue renewal. By 2054, 46% will need to be replaced. As with the other city councils, the high renewal requirements are because of the amount of asbestos cement pipe that was installed post-World War 2 and the amount of cast iron pipe laid prior to World War 2 that remains in service.

Wastewater Network

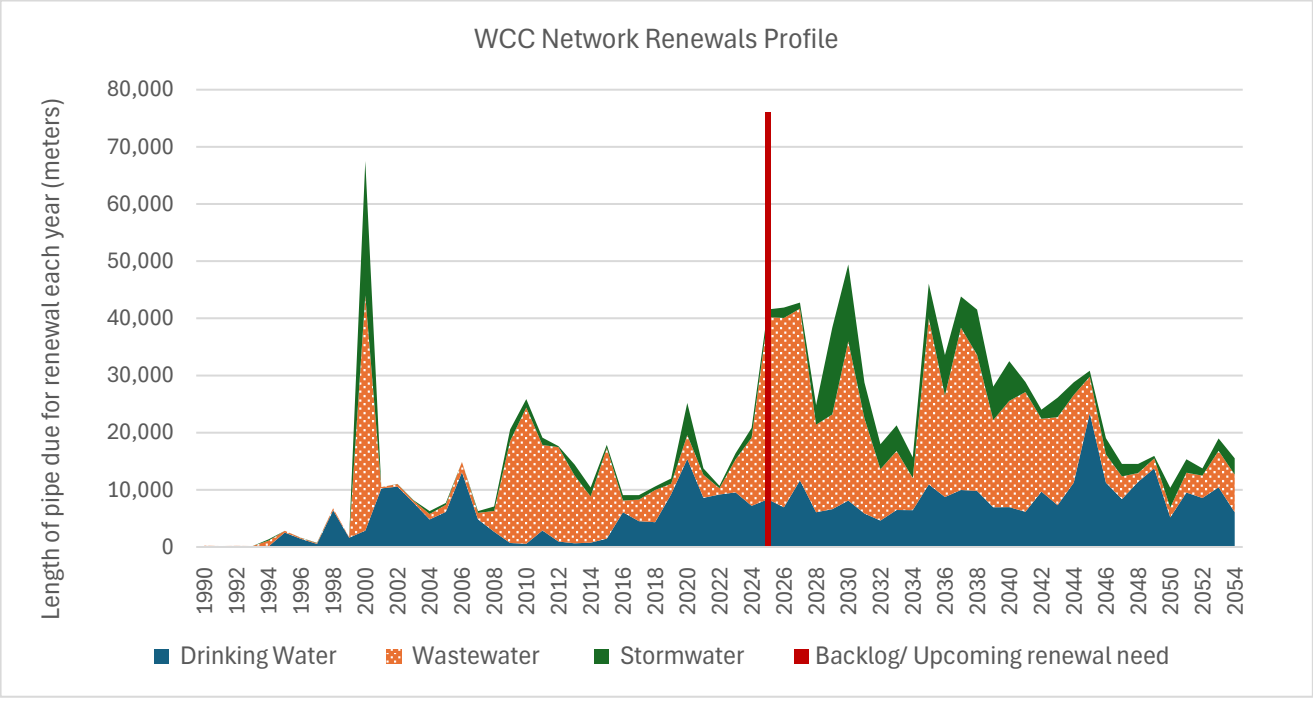
Approximately 20% of the wastewater network is already overdue and by 2054 around 60% will need to be replaced. The high level of renewals likely to be needed in the next 30 years is primarily an outcome of the use of concrete and earthenware materials used and date of installation. Recent history of critical asset failures such as the Dixon Street and the Victoria Street rising main are reminders of the consequences of failure of critical wastewater pipes.

Stormwater Network

WCC's stormwater network is in better condition than the drinking water and wastewater networks. Approximately 7% past its expected life with 23% due for renewal in the next 30 years.

The table below summarises the condition and criticality of WCC's pipe network.

Water Type	Quantity	Backlog	Average Age	% of network with condition rating	% of network in unknown condition	% of network in good or very good condition	% of network in moderate condition	% of network in poor or very poor condition
Water Supply	935.85km	17%	45 years	94%	6%	51%	19%	24%
Wastewater	1,092.48km	20%	63 years	98%	2%	47%	13%	38%
Stormwater	831.71km	7%	52 years	96%	4%	60%	23%	13%



Reservoirs

Key challenges for WCC's reservoirs include insufficient existing storage to meet design, growth, and fire demand requirements, degrading capacity as growth continues, and low seismic resilience in some structures.

Pump stations

Data confidence is low; many assets have condition grades estimated from age rather than detailed inspection. Mechanical and electrical components are particularly vulnerable to sudden failure. Some sites have outdated control systems or limited redundancy, increasing the risk of prolonged outages if failure occurs.

Wastewater Treatment Plants

The two wastewater treatment plants in Wellington (Western and Moa Point) are very highly critical facilities. Within these facilities are also VHCAs that on failure would result in supply disruption, health and safety risks in the immediate vicinity, flooding and environmental pollution. As with the Seaview Wastewater Treatment Plants, these plants were constructed as a Design Build Operate contract that ran its time in 2020 after 25 years of service. The expected lives of many of the mechanical and electrical assets means that a significant renewals burden has arisen post termination of these contracts. Failure of these assets heightens the risk of consent non-compliance and unplanned discharges to the environment.

As noted in the PCC overview, the Porirua wastewater treatment plant is a highly critical facility. Within this facility are critical assets that on failure would result in supply disruption, health and safety risks in the immediate vicinity, offensive odour, flooding and environmental pollution. Although significant upgrade/renewal work has been done at the plant in recent years, a rigorous maintenance and renewal plan must be maintained in a plant that contains short lived mechanical/electrical assets that operate in a harsh environment. Failure of these assets heightens the risk of consent non-compliance and unplanned discharges to the environment.

The table below summarises the condition and criticality of WCC's three waters assets, excluding pipe network, fittings, laterals and stormwater storage/ detention dams and the Porirua wastewater treatment plant joint venture assets.

Water Type	Asset Type	Quantity	% of assets with condition rating	% of assets in unknown condition	% of assets in good or very good condition	% of assets in moderate condition	% of assets in poor or very poor condition
Water Supply	Reservoirs	67[7]	100%	0%	43%	35%	22%
	Pump Station Sites	35	32%	68%	11%	9%	3%
Wastewater	Treatment Plants	2 plants 1632 unique assets	95%	5%	66%	23%	7%
	Pump Station Sites	67	33%	67%	0%	12%	22%
Stormwater	Pump Station Sites	5	80%	20%	20%	40%	20%

[7] Excluding emergency tanks.

Greater Wellington Regional Council

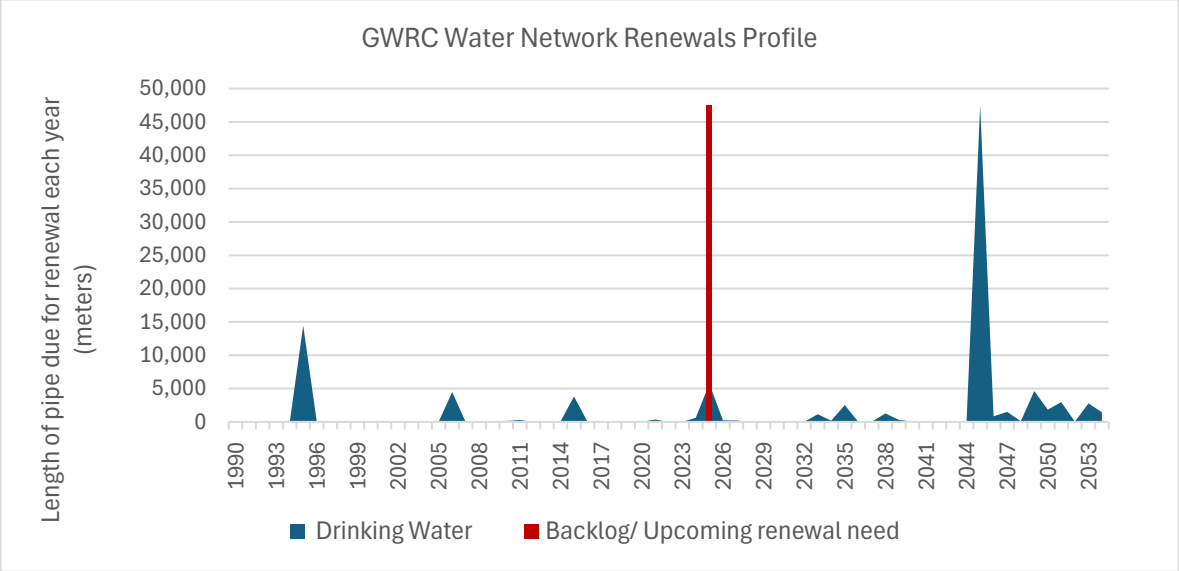
Greater Wellington Regional Council has $1.4 billion[8] of water assets (excluding land). The bulk water pipe network and region's four water treatment plants (including dams/ lakes and bores) account for 95% of the value of GWRC's asset base. The remaining 5% is made up of pump stations, reservoirs and tunnels.

Water Type	Asset Type	Quantity	Replacement value
Water Supply	Pipes	192km	$812M
	Treatment Plants (including dams, lakes and bores)	4	$536M
	Pump Station Sites	16	$36M
	Reservoirs	3	$23M
Water Supply Total Replacement Value			**$1,407M**

Pipe network

Of GWRC's 192.8km of pipe network, approximately 29.4kms (15%) is overdue for renewal (in backlog). Because GWRC delivers treated water to the four city councils through bulk delivery mains, its network is primarily comprised of very high criticality pipes. Failure of one of the bulk water mains would result in significant disruption to service delivery and public health risk.

The network still utilises some very old (100 year +) pipes that were installed to supply water from the Wainuiomata/ Orongorongo sources. Of potential concern in the longer term (i.e. beyond 10 years) is the life expectancy of the Kaitoke to Wellington water supply pipe that was installed in the late 1950s. The scale of a replacement programme for this pipeline will be vast – and it will remain as the single delivery mechanism for water produced at Te Marua Water Treatment Plant from existing water sources and the proposed additional Pākuratahi storage lakes. It is critical that the condition of this pipeline undergoes ongoing vigilant condition assessment that would identify any work needed to extend the life of the pipeline.



The table below summarises the condition and criticality of GWRC's pipe network.

[8] Optimised Replacement Cost from March 2023 valuation, inflated to 2025 dollars.

Water Type	Quantity	Backlog	Average Age	% of network with condition rating	% of network with condition rating	% of network in good or very good condition	% of network in moderate condition	% of network in poor or very poor condition
Water Supply	192km	15%	44	98%	2%	42%	34%	22%

Water Treatment Plants

The GWRC water treatments plants are all very highly critical facilities. They were all largely installed in the late 1980s to early 1990s and many of the mechanical/ electrical assets within them will be reaching the end of their life unless there has been proactive renewal of the items. Within the facilities are critical assets that on failure would result in supply disruption, health and safety risks in the immediate vicinity and environmental pollution.

Although significant upgrade/renewal work has been done at the plants in recent years, detailed physical condition assessment of all parts within the treatment plants has not been completed. There are over 10,650 individual assets within the four treatment plants and 646 (6.1%) of these have a condition rating.

A rigorous maintenance and renewal plan must be maintained in all plants. Failure of treatment plant process assets heightens the risk of consent non-compliance and supply interruption as well as offering community health risks.

Ongoing condition assessment programmes are a vital part of planned maintenance work.

Reservoirs

GWRC operates only three treated water reservoirs – the majority are owned by the city councils (PCC, UHCC, HCC and WCC). All reservoirs are regarded as VHCAs. All reservoirs have been visually assessed with emphasis on contamination and health and safety risks. In the interim all health and safety and contamination risks can be mitigated through minor works and good maintenance.

Pump stations

Because of their bulk water function, the GWRC pump stations are large capacity facilities. Delivery times of replacement equipment can be lengthy as they are rarely “off the shelf” items. Renewal of the pump stations is programmed in the LTP.

The table below summarises the condition and criticality of GWRC’s water assets, excluding network and fittings.

Water Type	Asset Type	Quantity	% of assets with condition rating	% of assets in unknown condition	% of assets in good or very good condition	% of assets in moderate condition	% of assets in poor or very poor condition
	Treatment Plants	4 plants 10,654 unique assets	6.1%	93.9%	3.2%	2.1%	0.8%
	Pump Station Sites	16	100%	0%	0%	27%	73%
	Reservoirs	3	100%	0%	0%	100%	0%

Appendix B3: Environmental compliance summary

The following table provides a high-level summary of current environmental compliance, active abatement notices and recent infringements received by asset. As there are over 100 resource consents associated with assets operated by Wellington Water, an overview of compliance has been provided rather than specific detail about individual consents.

Table regarding assessment of environmental compliance for assets operated by Wellington Water

Asset *(specific part of plant/activity non-compliant)*	**Current compliance issues**	**Enforcement action** *(Active abatement notices, and infringements received in previous two years)*	**Current Performance** *(as of April 2025)*
Seaview WWTP			
Discharges	March 2025: the plant moved back into compliance for faecal coliforms, now compliant on all effluent quality parameters.	December 2021 – Abatement Notice (A998) was issued to cease dry weather undisinfected discharges as a result of power failures. September 2022 Abatement Notice (A1026) was issued to cease the discharge of non-compliant effluent quality. November 2023 GWRC issued two infringement notices (I952 & I953) for non-compliant effluent quality and breach of A1026. April 2025 GWRC issued two infringement notices for non-compliant effluent quality and breach of A1026.	The plant does not have back up power supply to the UV system currently. There is a project underway to upgrade backup power supply to ensure compliance with A998. Effluent quality/discharges compliant with consent conditions. Compliant with A1026.
Odour	The plant's odour control system is in poor condition which affected the site's overall odour treatment performance. Two process areas (milliscreen room and dryer hall) do not have odour treatment currently. This caused many odour complaints from the community	June 2021 GWRC issued Abatement Notice (A956) to cease unauthorised discharges of odour from the plant. October 2023 GW issued 26 infringement notices (I1008 – I1020 and I1021 – I1033) for offensive and objectionable odour discharges and breach of A956.	Non-compliant odour discharges confirmed in March 2025. On track to comply with A1111 with a contract awarded to deliver the physical works for Stage 2. Following Stage 2 we will continue to monitor and assess if there are remaining odour sources that

Asset *(specific part of plant/activity non-compliant)*	**Current compliance issues**	**Enforcement action** *(Active abatement notices, and infringements received in previous two years)*	**Current Performance** *(as of April 2025)*
	and non-compliance with the resource consent. To resolve the odour issue, the Seaview odour control renewal project is initiated. The project is being delivered in three stages (with Stage 2 is underway). March 2025: 18 odour complaints were received, two of which were deemed offensive and objectionable odour discharges by GWRC. One odour complaint in April 2025. Not deemed offensive and objectionable by GWRC.	October 2024 Abatement Notice (A1111) was issued to require Stage 2 works to be undertaken, in particular requiring the following upgrades by December 2025: • Installation of new odour treatment in the dryer building, • Installation of new odour treatment in the milliscreening building, and • Replacement of the ducting and fans for odour extraction from the milliscreens. March 2025 GWRC issued a Please Explain request in relation to the non-compliant odour discharge in March 2025. A response will be provided within the required timeframe.	need attention. This could include the sludge dryer odour stream. Stage 3 of the Seaview odour control renewal project involves addressing any remaining sources that could be resulting in offensive and objectionable odour discharges beyond the boundary of plant.
Moa Point WWTP			

Asset *(specific part of plant/activity non-compliant)*	**Current compliance issues**	**Enforcement action** *(Active abatement notices, and infringements received in previous two years)*	**Current Performance** *(as of April 2025)*
Discharges	Daily effluent results are compliant with daily limits. Faecal coliforms remain non-compliant for the 90th percentile limit but trends project this parameter to move into compliance soon. Three unconsented discharges occurred via the long outfall in April 2025 due to wet weather and reduced treatment capacity of the plant from clarifier renewal works.	October 2021 Abatement Notice (A981) was issued to cease unauthorised discharge of wastewater from the plant. December 2023 GWRC issued two infringement notices (I962 & I965) for non-compliant effluent quality. October 2024 Abatement Notice (A1112) was issued to complete Moa Point WWTP Inlet Pump Station Upgrades by April 2025 and bring the maximum pumping back to design capacity of 4000L/s. May 2025 GWRC issued two infringement notices (I1147 and I1148) for ongoing non-compliant effluent quality with consent conditions and breach of A981. GWRC also issued an advisory notice.	Effluent quality currently non-compliant with consent conditions for the 90th percentile. Inlet pump station project completed March 2025. On track for compliance with A1112. Clarifier renewal project progressing well. Reduced capacity at plant while clarifier offline.
Odour	A total of 10 odour complaints received in March and April 2025 (two relating to the plant, and eight relating to the Landfill/Careys Gully Sludge Dewatering Plant). These were not assessed by GWRC.	None	An investigation is underway into the decreased performance of the chemical scrubber system during the summer months. The plant recorded non-compliant results for total reduced sulphur during this period.
Western WWTP			

Asset *(specific part of plant/activity non-compliant)*	**Current compliance issues**	**Enforcement action** *(Active abatement notices, and infringements received in previous two years)*	**Current Performance** *(as of April 2025)*
Discharges	Compliant	November 2021 GWRC issued Abatement Notice (A993) to cease unauthorised discharge of wastewater from the plant. May 2024 GWRC issued an infringement notice (I975) for non-compliant effluent quality. May 2024 GW reissued Abatement Notice (A1081) to complete repairs to the outfall pipeline by August 2024.	Effluent quality compliant with consent conditions. The pipeline remediation project was completed in July 2025. Compliant with A1081. The minor remedial repairs, identified in last year's annual inspection of the outfall pipeline were completed on schedule in March 2025. The annual inspection of the pipeline has been scheduled for May 2025.
Odour	Compliant		No complaints received. Compliant with consent conditions.
Porirua WWTP			
Discharges	March 2025 two undisinfected discharges occurred due to fault with the UV penstock. In April 2025, two unconsented discharges (sludge carryover) occurred because of wet weather flows and high solids within the process.	January 2024 GW issued an infringement notice I1065 for undisinfected discharges. GWRC issued a formal warning for the undisinfected discharge that occurred in March 2025. July 2024 GWRC issued Abatement Notice (A1104) to cease the unauthorised discharge of wastewater containing sludge from the clarifiers (sludge carryovers). July and August 2024 GWRC issued two infringements (I1065 and I1097) for sludge carryover events. April 2025 GWRC issued a Please Explain request related to the sludge carryover. A response will be provided within the required timeframe.	The cause of the UV penstock fault is under ongoing investigation. A project to provide backup power supply to the UV disinfection unit commissioned in January 2025 Effluent quality compliant. Process changes to resolve elevated ammonia and nitrogen levels have proven successful. Higher solids in the system raised the sludge carryover risk during high flow events. A Solids Handling Upgrade project is planned to upgrade the plant solids stream to debottleneck the system, reduce the risk of consent non-compliance and accommodate projected population growth. Consideration will also be given to integrating the upgraded solids-handling with a sludge/biosolids

Asset *(specific part of plant/activity non-compliant)*	**Current compliance issues**	**Enforcement action** *(Active abatement notices, and infringements received in previous two years)*	**Current Performance** *(as of April 2025)*
			reduction process in the future. The project will need to integrate with the Spicer Landfill operational requirements for current and future consents. The project will be delivered in stages (three stages – in order of urgency). The project is planned to be completed in FY27/28 with Stage 1 completion in 2026.
Odour	Compliant. The plant does not currently treat odour. Two odour complaints received in 2025.		Odour management project is underway and on track to be completed in June 2026 and compliant with consent conditions.
Network			
Discharges associated with network maintenance and repair	Sediment discharges associated with network maintenance and repair have occurred in the past, and are reported in accordance with consent requirements and/or following requests from GWRC.	June 2020 GWRC issued an Abatement Notice (A937) cease all unauthorised discharges of sediment to water from the maintenance and repairs of stormwater assets and related activities across the Wellington region. February 2021 GWRC issued an Abatement Notice (A947) to cease all discharges of sediment to water from the maintenance and repair of assets including potable water, wastewater and stormwater infrastructure and related activities across the Wellington region. September 2022 GWRC issued two infringements (I869 and I870) for breach of A947 and a formal warning for discharges of sediment laden water into the stormwater network.	Wellington Water have been ensuring staff and contractors are clearer about placing adequate sediment controls. GWRC staff have attended Wellington Water toolbox sessions to outline expectations for compliance.

Asset *(specific part of plant/activity non-compliant)*	**Current compliance issues**	**Enforcement action** *(Active abatement notices, and infringements received in previous two years)*	**Current Performance** *(as of April 2025)*
		June 2023 Infringement Notice (I916) was issued by GWRC for maintenance on the stormwater/ sewer/ water lines and associated discharge into stormwater network. January 2023 GWRC issued infringement notices (I980 and I981) for breach of A947 for discharge of sediment laden water from network repairs. October 2023 GWRC issued two infringement notices (I944 and I945) for breach of A947 for discharges of sediment laden water to the stormwater network. March 2024 GWRC issued four infringements (I1070, I1071, I1072 and I1073) for a breach of A947 for discharges of sediment laden water to the stormwater network.	
Monitoring and investigations	An assessment of the significance of the monitoring results from a mana whenua perspective has still not been completed and is required to achieve full compliance with the global stormwater resource consent. Dry weather wastewater overflows are reported to GWRC, Regional Public Health and the public. Reactive monitoring is undertaken against recreational water quality standards. Warnings are added to LAWA and signs erected to inform the public of the overflow and associated risk.		Monitoring and testing are used to understand where the wastewater and stormwater networks are impacting the water quality of our streams and coastal waters. An ongoing comprehensive sampling regime is undertaken by Wellington Water for stormwater discharges. In addition, as required by the Wastewater Overflows into the Stormwater Network Management Plan, sanitary surveys, investigations and remedial actions are undertaken. Additional funding from client councils has been specifically provided for a Drainage Investigation Team. This team has improved Wellington Water's ability to identify and address wastewater network faults.

Asset *(specific part of plant/activity non-compliant)*	**Current compliance issues**	**Enforcement action** *(Active abatement notices, and infringements received in previous two years)*	**Current Performance** *(as of April 2025)*
			Chronic sources of pollution are escalated and investigated as human health mitigation projects. Actions identified through human health mitigation projects to mitigate the effects require funding to implement. A revision to the stage one stormwater monitoring plan was approved by GW in July 2024. The monitoring results and revised plan was shared with mana whenua for review and input. Wellington Water received a response from one iwi confirming they were happy with the monitoring sites that had been selected and how the plan address sites of significance.
Wastewater pump stations and network overflow reporting	Network overflow reporting to GWRC on pump stations discharges is currently non-compliant due to late submission of data. Failure to provide standard overflow notifications as required by the Wastewater Overflows into the Stormwater Network Management Plan has occurred in the past and resulted in non-compliance with the global resource consent.	October 2024 GWRC issued a formal warning for failure in the automated reporting of standard overflow notification forms during 2023-2024.	Many constructed sites are monitored, but not all. Some overflows occur at unmonitored and unconstructed sites. Overflows are hard to measure accurately and are highly variable. To reduce overflows storage is being added to the network (such as the Porirua Central Wastewater Storage Tank). In Wellington, Wellington Water are increasing network capacity, while in the Hutt Valley Wellington Water are increasing the resilience of the wastewater network with a variety of projects. Wellington Water is also inspecting property connections to reduce the source of wet weather overloading. Significant further investment is required to reduce overflows across the network.

Asset *(specific part of plant/activity non-compliant)*	**Current compliance issues**	**Enforcement action** *(Active abatement notices, and infringements received in previous two years)*	**Current Performance** *(as of April 2025)*
Water supply			
Abstraction	April 2025 Wellington Water received the 2023/2024 annual compliance report from GWRC. In summary there is non-compliance associated with: • incomplete/late submission of data or reports to GWRC; and • not meeting some of the requirements of the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010.	April 2024 GWRC issued an advisory letter regarding non-compliance with the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010.	Record keeping and reporting requirements are being discussed with GWRC. Wellington Water has presented the upgrades and costs associated with complying with the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010 to the client council. This report is currently being reviewed. Further discussions are required with Regulator on this matter.
Discharges associated with water treatment processes	April 2025 Wellington Water received the 2023/2024 annual compliance report from GWRC. In summary, there is non-compliance associated with: • incomplete reporting; • exceeding the supernatant discharge rate on one occasion (September 2023); and • not meeting supernatant discharge limits at one treatment plant (August 2023).	July 2024 GWRC issued an advisory letter regarding the self-reported non-compliant discharge to a stream from a filter refurbishment project.	Compliance issues raised in the compliance report are being reviewed currently.

Appendix B4: Compliance status of the water and wastewater treatment plants

Compliance status of the Water Treatment Plants, January – May 2025

Water Treatment Plant	Compliance status January-May 2025	Safe Drinking Water (bacterial & protozoal standards)	Fluoride
Waterloo	Waterloo Water Treatment Plant has been non-compliant with Taumata Arowai bacterial compliance rules since the chlorine contact time requirement increased in Taumata Arowai's 2022 Drinking Water Quality Assurance Rules. This does not affect drinking water safety. Non-compliance is due to changes in the assurance rules, the capability of the existing facilities and the layout of the network. Significant upgrades to the plant and/or additional network infrastructure are required to achieve compliance with the rules as written. Work is underway to address the network configuration issue. The Waterloo Water Treatment Plant is compliant with Taumata Arowai protozoal compliance rules. **January 2025 – Non-compliant for safe drinking water and fluoride** Drinking water from the Waterloo Water Treatment Plant is fluoridated within the Ministry of Health's (MoH) recommended levels 71.3 percent of the time in January 2025. Fluoridation was shut down during the January 2025 report period due to instrument error. This issue has since been resolved and fluoridation restarted. **February 2025 – Non-compliant for safe drinking water and fluoride** Waterloo has fluoridated the drinking water within MoH's recommended levels 92.3 percent of the time in February 2025. Fluoridation was shut down as a precaution while work was undertaken on the Naenae Reservoir flow and pressure control.	**Non-compliant as of May 2025**	**Non-compliant as of May 2025**

	March 2025 – Non-compliant for safe drinking water, compliant for fluoride Waterloo has fluoridated the drinking water within MoH's recommended levels 96.1% of the time. The 2024 Annual Drinking Water Quality Assurance report was successfully submitted to the Water services Authority. **April 2025 – Non-compliant for safe drinking water, compliant for fluoride** Waterloo has fluoridated the drinking water within MoH's recommended levels 97.2% of the time. **May 2025 – Non-compliant for safe drinking water and fluoride** Waterloo has fluoridated the drinking water within MoH's recommended levels 93.8% of the time. The low level of fluoride was due to both planned and reactive maintenance on the dosing equipment.		
Wainuiomata	The Wainuiomata Water Treatment Plant was compliant with Taumata Arowai bacterial and protozoal compliance rules between January and May 2025. **January 2025 – Compliant for safe drinking water and fluoride** Drinking water from the Wainuiomata Water Treatment Plant is fluoridated within the MoH's recommended levels 98.9 percent of the time in January 2025. **February 2025 – Compliant for safe drinking water and fluoride** Wainuiomata has fluoridated the drinking water within MoH's recommended levels 99.6 percent of the time in February 2025. **March 2025 – Compliant for safe drinking water and fluoride** Wainuiomata has fluoridated the drinking water within MoH's recommended levels 98.0% of the time. The 2024 Annual Drinking Water Quality Assurance report was successfully submitted to the Water services Authority. **April 2025 – Compliant for safe drinking water and fluoride** Wainuiomata has fluoridated the drinking water within MoH's recommended levels 99.0% of the time.	**Compliant as of May 2025**	**Compliant as of May 2025**

	May 2025 – Compliant for safe drinking water and fluoride Wainuiomata has fluoridated the drinking water within MoH's recommended levels 98.1% of the time.		
Te Mārua	Te Mārua Water Treatment Plant was compliant with the Taumata Arowai bacterial and protozoal compliance rules between January and May 2025. **January 2025 - Compliant for safe drinking water, non-compliant for fluoride** Drinking water from the Wainuiomata Water Treatment Plant is fluoridated within the MoH's recommended levels 99.3 percent of the time. **February 2025 - Compliant for safe drinking water, non- compliant for fluoride** Te Mārua has fluoridated the drinking water within MoH's recommendation levels 99.5 percent of the time in February 2025. **March 2025 - Compliant for safe drinking water, non-compliant for fluoride** Te Mārua has fluoridated the drinking water within MoH's recommendation levels 94.7% of the time. The drop in the fluoridation performance was due to various WTP shutdowns due to equipment upgrades and new installations. The 2024 Annual Drinking Water Quality Assurance report was successfully submitted to the Water services Authority. **April 2025 - Compliant for safe drinking water, non-compliant for fluoride** Te Mārua has fluoridated the drinking water within MoH's recommendation levels 92.3% of the time. The drop in the fluoridation performance was due to various minor equipment failures, planned maintenance, and WTP shutdowns due to the DAF commissioning. **May 2025 - Compliant for safe drinking water and for fluoride** Te Mārua has fluoridated the drinking water within MoH's recommendation levels99.6%of the time.	**Compliant as of May 2025**	**Compliant as of May 2025**
Gear Island	Gear Island Water Treatment Plant is compliant with Taumata Arowai bacterial and protozoal compliance rules between January and May 2025.	**Compliant as of May 2025**	**Non-compliant as of May 2025**

	January 2025 - Compliant for safe drinking water and fluoride Drinking water from Gear Island is fluoridated within the Ministry of Health's recommended levels 96.5 percent of the time in January 2025. **February 2025** - **Compliant for safe drinking water and fluoride** Gear Island has fluoridated the drinking water within MoH's recommended levels 98.7 percent of the time in February 2025. **March 2025 - Compliant for safe drinking water and fluoride** Gear Island has fluoridated the drinking water within MoH's recommended levels 98.8% of the time. **April 2025 - Compliant for safe drinking water and fluoride** Gear Island WTP is compliant with the Water Services Authority bacterial and protozoal compliance rules. Gear Island has fluoridated the drinking water within MoH's recommended levels 98.7% of the time. **May 2025 - Compliant for safe drinking water, non-compliant for fluoride** Gear Island has fluoridated the drinking water within MoH's recommended levels 93.9% of the time. The low level of fluoride was due to both planned and reactive maintenance on the dosing equipment.		

Compliance status of Wastewater Treatment Plants, January – May 2025

Wastewater Treatment Plant	Compliance status January-May 2025	Plant Performance
Moa Point	**January 2025 – Non-compliant** The plant moved back into compliance for suspended solids in January (90-day geomean and 90th percentile limits). The faecal coliform results continue to trend towards compliance with daily results largely compliant with the 90-day geomean. <u>Discharges:</u> There were two unconsented wet-weather discharges on 1 and 3 January via the long outfall into Cook Strait due to the reduced full treatment capacity of the plant whilst the final Clarifier is offline for renewal.	**Non-compliant as of May 2025**

	Odour complaints: There was one odour complaint in January relating to the Southern Landfill site and Careys Gully Sludge Dewatering plant. **February 2025 – Non-compliant** Daily effluent results continue to meet quality requirements however the suspended solids (90-day geomean) have stabilised on the limit as it fluctuates in and out of compliance. Faecal coliforms became compliant for the 90-day geomean but remains non-compliant for 90th percentile limit. Trends project this parameter to move into full compliance in March. Discharges: No discharges in February. Odour complaints: There were 12 odour complaints in February relating to the Southern Landfill site and Careys Gully Sludge Dewatering plant. **March 2025 – Non-compliant** Daily effluent results are compliant with daily limits. Suspended solids (90-day geomean) became compliant in March. Faecal coliforms remains non-compliant for the 90th percentile limit but trends project this parameter to move into compliance in April. Discharges: There was one unconsented discharge via the Long Outfall on 19 March due to wet weather and the reduced treatment capacity of the plant from the Clarifier renewal works. Odour complaints: There were 2 odour complaints in March. One relating to Moa Point and the other relating to the Southern Landfill site and Careys Gully Sludge Dewatering plant. **April 2025 – Non-compliant** Daily effluent results are compliant with daily limits. Faecal coliforms remain non-compliant for the 90th percentile limit but trends project this parameter to move into compliance soon. Discharges: There were three unconsented discharges via the Long Outfall in April due to wet weather and the reduced treatment capacity of the plant from the clarifier renewal works. Odour complaints: There were 8 odour complaints in April. One relating to Moa Point and seven relating to the Southern Landfill site and Careys Gully Sludge Dewatering plant. **May 2025 – Non-compliant**	

	Effluent results are compliant with daily limits. Faecal coliforms remains non-compliant for the 90th percentile limit but trends project this parameter to move into compliance in early June. Discharges: There were four unconsented discharges via the Long Outfall in May due to wet weather and the reduced treatment capacity of the plant from the clarifier renewal works. Odour complaints: There was 1 odour complaint in May relating to the Southern Landfill site and Careys Gully Sludge Dewatering plant. Infringement Notices issued: GWRC issued two infringement notices for ongoing discharge of non-compliant effluent and for breach of Abatement Notice A981 relating to discharge of non-compliant effluent.	
Western	**January 2025 – Compliant** The plant was compliant for effluent quality. Discharges: No discharges in January. Odour complaints: No odour complaints in January. **February 2025 – Compliant** The plant was compliant for effluent quality. Discharges: No discharges in February. Odour complaints: No odour complaints in February. **March – Compliant** The plant is compliant for effluent quality. Discharges: There were no unconsented discharges in March. Odour complaints: There were no odour complaints in March. **April – Compliant** The plant is compliant for effluent quality. Discharges: There were two consented wet weather discharges to the Karori Stream on 21 and 30 April. Odour complaints: There were no odour complaints in April.	**Compliant (with issues) as of May 2025**

	May 2025 – Compliant with noted issues The plant is compliant for effluent quality. **Discharges:** There was one unconsented discharge of undisinfected effluent to the Coastal Marine Area in May. The incident is currently under investigation. **Odour complaints:** No odour complaints in May.	
Seaview	**January 2025 – Non-compliant** The plant remained non-compliant for faecal coliforms (90-day geomean, 80th percentile limit) however daily effluent results were compliant since the end of December with the plant trending back towards full compliance. <u>Discharges:</u> No discharges in January. <u>Odour complaints:</u> The plant received four odour complaints in January, none of which were deemed offensive and objectionable by GW. **February 2025 – Non-compliant** The plant moved back into compliance for faecal coliforms on the 90-day geomean but remains non-compliant with the 80th percentile. This was trending to compliance in March. The plant remained compliant for Suspended Solids and Biochemical Oxygen Demand (BOD). <u>Discharges:</u> There were no unconsented discharges, or discharges into the Waiwhetū Stream in February. <u>Odour complaints:</u> The plant received six odour complaints in February, none of which were deemed offensive and objectionable by GW. **March 2025 - Compliant** The plant moved back into compliance for faecal coliforms on the 80th percentile in March and is now compliant on all three effluent parameters; Suspended Solids, Biochemical Oxygen Demand (BOD) and Faecal Coliforms. <u>Discharges:</u> No discharges in March. The plant received 18 odour complaints in March, two of which were deemed offensive and objectionable by GWRC. GWRC issued a Please Explain in relation to the non-compliant odour discharge in March.	**Non-compliant as of May 2025**

	April 2025 – Compliant The plant is compliant for effluent quality. <u>Discharges:</u> There were three consented wet weather discharges to the Waiwhetu Stream in April. The plant received 1 odour complaint in April but not deemed offensive and objectionable by GWRC. **May 2025 – Non-compliant** The plant became non-compliant with the 90-day percentile for faecal coliforms on 30 May but remains compliant for both suspended solids and biochemical oxygen demand. <u>Discharges:</u> There were three discharges to the Waiwhetū Stream in May. The first discharge was unconsented due to a pressure issue in the main outfall pumping station and is under investigation. The other two discharges were consented and due to wet weather. <u>Odour Complaints:</u> No odour complaints in May.	
Porirua	**January 2025 – Compliant with noted issues** The plant was compliant for effluent quality. Investigations on the elevated ammonia nitrogen levels in the treated wastewater continue. <u>Discharges:</u> There were three brief discharges on January 21 related to testing the installation of the new backup power supply for the UV system. These brief discharges were non-compliant but critical and unavoidable during final commissioning of the system. Prior notice was given to GW and the public with normal discharge protocol followed. <u>Odour complaints:</u> There was one odour complaint in January. **February 2025– Compliant with noted issues** The plant was compliant for effluent quality. Investigations on the elevated ammonia nitrogen levels in the treated wastewater continue. <u>Discharges:</u> There were no unconsented discharges in February. <u>Odour complaints:</u> There was one odour complaint in February.	**Compliant (with issues) as of May 2025**

	March 2025 – Compliant with noted issues The plant is compliant for effluent quality. A spike in faecal Coliforms between 5-7 March is being investigated. Investigation and action on the elevated ammonia nitrogen levels in the treated wastewater continue. <u>Discharges:</u> There were two unconsented discharges on 14 and 18 March both relating to faults with the Duron UV system and are under investigation. GWRC issued a Please Explain in relation to the 14 March unconsented discharge. <u>Odour complaints:</u> No odour complaints in March. **April 2025 – Compliant with noted issues** The plant is compliant for effluent quality. Process changes to resolve the elevated ammonia nitrogen levels in the treated wastewater have proved successful. Higher solids within the system raised the sludge carryover risk in April during high flow events. <u>Discharges:</u> There were two unconsented discharges in April. Both events are recognised as sludge carryovers which occurred during wet weather. GWRC issued a Please Explain in relation to the sludge carryover event on 21 April. <u>Odour complaints:</u> No odour complaints in April. **May 2025 – Compliant with noted issues** The plant is compliant for effluent quality, however, has been operating with a higher risk of sludge carryover in wet weather. The sludge carryover events are a result of high solids within the process, caused by poor sludge settleability during process changes to address the ammonia nitrogen level in the effluent. This has impacted wastage efficiency resulting in solids build up in the system. Improvements in the process has recently returned solids to a more manageable level, with encouraging trends observed in the dewatering efficiency. This has reduced the likelihood of sludge carryover events and work continues to improve this further. <u>Discharges:</u> There were two unconsented discharges in May. Both events are recognised as sludge carryovers which occurred during wet weather.	

	<u>Odour Complaints:</u> No odour complaints in May.	

Appendix C1: Assumptions and uncertainties: Part C investment programme

The tables below are in reference to the *Investment Programme* section of *Part C*.

Assumptions

The following assumptions have been made in the development of the WSDP investment programmes. They do not address the uncertainties that lie ahead in transitioning to a new organisation with new governance requirements and potentially new risk tolerances and business processes.

Item No.	Assumption	Likelihood of assumption being incorrect (within next three years)	Impact if assumption is incorrect
1	Project team has been supplied with most relevant and current information to build investment programme	Medium - Considerable work has already been undertaken, continued investment is necessary - Future studies will provide improved reliability and confidence - Historically significant cost variations have occurred with capital projects as they progress from concept to final design and construction	The investment programme could change in scale and extent (increase, decrease, change). Adjustments may be required which impact on any of LoS, growth, renewals and resilience. Historically cost escalation and project delay has frequently occurred
2	Current condition, criticality and performance data is suitably accurate to support reasonable investment requirements	High • Future studies will provide improved reliability and confidence • In an environment where renewals have been historically deferred, investigations are likely to reveal significant asset deterioration that to date has not been detected. In these circumstances reprioritisation must occur that results in failure to complete other projects	Assets many last longer or require renewal sooner than projections. Depending on the scale/extent this may require changes in year-on-year investment programmes. If more work is required sooner than the ability to deliver this may not be possible, particularly in the first five years of this WSDPs timeframe.

3	Councils' current valuations provide a fair and reasonable basis for network renewals unit rates ($ per lineal metre)	High • Subject to inflation, global and national factors. Participating councils have historically adopted different approaches and timelines for valuation. Replacement values are consistently refuted if they rely on current local construction costs as indicators for future projects	The level of investment required to achieve LoS, growth and renewals may be higher/lower that required. There are potential advantages (additional funds available) and disadvantages (insufficient funds resulting in less work being undertaken)
4	Unserviced schemes (if any) will not require access to Councils reticulated supplies	Low • Scale is considered to be minor, subject to assessment	Works not allowed for in the investment programme e.g., extension to water supply, wastewater services may be required. Capacity in the existing networks will be required. Diversion of workforce to address need.
5	Delivery of all forecast capital works will be fully achieved over the 10-year period (additional smoothing is required)	High • Requires high level of coordination between asset owner – service delivery and marketplace. Watercare note this took 10-15 years Will require investment in Metro Water's systems and processes – some of which will be addressed through the TSI programme prior to Metro Water establishment.	Delivery of timely infrastructure.

6	Future legislation and regulatory guidelines such as NEDS, wastewater standards, stormwater environmental standards, Commerce Commission requirements, Plan Change 1 and upcoming national direction requiring use of 75th percentile growth forecasts may have a material impact on the scale/extent and timing of projected investment and these have not been factored in.	Medium • Standards may be altered (currently in consultation) • Wellington has high standards for infrastructure as a result of seismic resilience requirements	Investment may be insufficient and/ or be brought displacing other priorities if standards are higher or require earlier investment than currently programmed. If built standards increase then this may require changes in materials, practices and processes (affordability)
7	Transition to Metro Water ensures all business processes and accountabilities of appointed positions are fully documented before Day1	High • No indication that this type of work that is needed for integrated asset management has commenced within current organisation to allow modification as opposed to starting from scratch within new organisation • The TSI programme is also known to extend beyond Day 1, meaning some construction management and process improvements will still be in development post-transition. Similarly, no increase in capex and opex funding over 2026–28 has been factored in to support programme expansion, which may make delivering the assumed uplift challenging.	Investment programmes are delayed, operational effectiveness and service provision is compromised, and investment priorities need to be re-evaluated for all three waters to achieve budgets

8	Transition to new organisation ensures all data necessary for decision making is understood and formatted consistently to standards that are used nationally	Medium • Considerable work has been done in this area and deficiencies are known unknowns	Investment programmes are delayed, operational effectiveness and service provision is compromised and investment priorities need to be re-evaluated for all 3 waters to achieve budgets
9	There will be no significant change to current level of service (LoS) expectations from regulators, councils, or communities over the WSDP planning period.	Medium • While current LoS expectations are largely embedded in existing council frameworks, there is increasing awareness, particularly regarding water security, climate resilience, and environmental outcomes, that current levels may be inadequate by national or global standards. As transparency improves and national direction evolves (e.g. through regulatory reviews), there is potential for expectations to shift.	If LoS expectations are revised upward such as requiring more secure water supply (e.g. fewer days of restrictions), reduced flood risk, or improved receiving environment outcomes, significant additional investment may be required. This would affect both opex (e.g. for treatment, monitoring and maintenance) and capex (e.g. for upgrades, storage, or network resilience). Metro Water would need to reprioritise its programme and reassess affordability and delivery sequencing.

Uncertainties

The following uncertainties could result in the investment programme being reprioritised to accommodate changes where the impact of change is currently unknown.

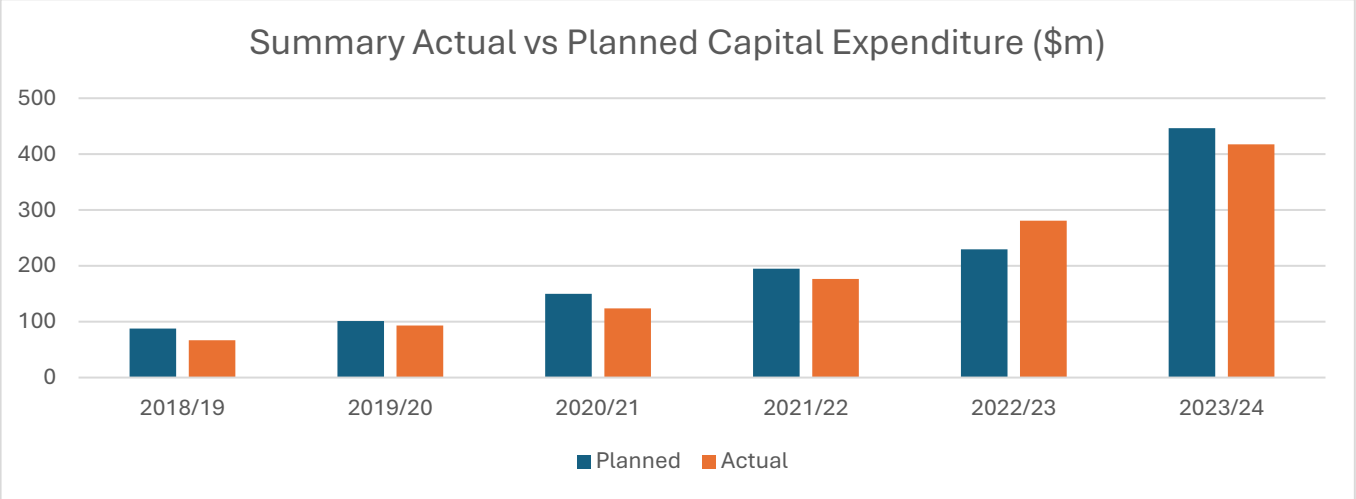
Item No.	Uncertainties	Likelihood of uncertainty eventuating (within next three years)	Impact if uncertainty unfolds
1	Growth requirements are not fully understood, and growth forecasts continue to change. There may be inconsistency regarding the investment requirements and timing	High • It is widely acknowledged there are gaps in metropolitan Wellington's understanding of growth requirements.	Growth in metropolitan Wellington is stalled. Lower growth may allow for a catch up in LoS via capital works (addressing current shortfalls). Early progress in growth projects where growth is retarded can result

	of growth projects in the programme as a result.	• Growth forecasts are generally incorrect; the order of magnitude may though have a material impact	in unutilised assets that deteriorate before they are needed. Faster growth that depends on infrastructure not completed will compromise levels of service to others.
2	Many assets across metropolitan Wellington are seismically vulnerable and the scale of investment needed to address this is unknown.	Medium • There is already recognition of seismic requirements, investment has been programmed for new/renewal of assets and some seismic resilience requirements have been identified for inclusion • A new governance structure will need to review current seismic standards that are adopted for different types of 3 waters infrastructure to ensure unrealistic costs are not imposed on the community to address risks that they may otherwise tolerate	Water to specific areas may not be available. CIR 80/30/80 response and recovery will be relied on. This may not be sufficient for the local economies to continue BAU operations (health, safety)
3	There is no agreed levels of service for flooding of existing habitable floors.	High • In the absence of formal risk tolerance levels adopted at governance level, public pressure will be applied to provide solutions where flooding occurs	Increased frequency of storms that result in flooding will result in demands for infrastructure solutions that are not panned or affordable
4	The full extent of infrastructure changes required to respond to climate change impacts such as increased flooding, drought frequency, sea level rise, and catchment hydrology changes is not yet fully understood or priced into the WSDP. In addition, emissions reduction obligations may require	High • New national direction is expected on climate adaptation and emissions reduction, including changes to the National Adaptation Plan and potential regional or catchment-level obligations. These could lead to new	Metro Water may face new capital and operational investment requirements to upgrade or relocate vulnerable infrastructure, adopt nature-based or adaptive solutions, or meet revised design standards. In parallel, it may need to shift towards low-emissions construction and operations. These changes could materially increase investment needs, require reprioritisation of existing programmes, or delay planned projects. Without a clear

	design and delivery changes with cost implications that are not yet defined.	technical, regulatory, or service level requirements, especially for coastal and flood-prone assets and energy-intensive operations.	framework for cost-sharing or funding these adaptation responses, affordability and delivery risk would increase
5	Poor quality or incomplete asset condition data may limit Metro Water's ability to accurately forecast operational expenditure (opex) requirements and plan an efficient capital delivery programme. Asset age is often used as a proxy for condition, but this can mask deterioration risk, leading to underestimation of reactive maintenance needs and asset failure likelihood.	High • Current condition data across the metropolitan network is patchy and largely based on desktop modelling or age-based assumptions rather than empirical inspection or performance data. • Known asset failures continue to occur at scale, suggesting condition is worse than records indicate. Establishing improved asset condition datasets will take time and may not be fully complete in the first planning cycle.	Poor visibility of actual asset condition increases the risk of unplanned failures, which can divert funding and resources from planned capital projects and inflate opex requirements (e.g. emergency repairs, temporary solutions, service level penalties). It may also result in suboptimal prioritisation of renewals, reduced delivery efficiency, and potential disruptions to service continuity. As more accurate data becomes available, significant reprioritisation of the capital programme may be required to respond to previously unidentified risks.

Appendix C2: Historical capital delivery

Over the six-year period from FY19 to FY24, metropolitan Wellington demonstrated a trend of increasing capital investment in three waters infrastructure.



Early years were characterised by under-delivery of planned works, reflecting systemic issues such as procurement delays, consenting and design complexities, and the disruptive impact of the COVID-19 pandemic.

The Metro Water councils significantly increasing programme delivery from FY22 onwards, reaching $417 million of actual capex in FY24.

A key driver of the increase was the need to address deferred renewals and respond to failures in critical infrastructure. Major unplanned capital projects, particularly in wastewater, such as Wellington City's emergency renewals following interceptor collapses and sludge pipeline failures, substantially influenced expenditure profiles. Investment momentum was also buoyed by stimulus funding from central government, improved programme management practices, and strategic use of over-programming and bundling to manage delivery risks. Some of this uplift also reflects increased material and construction costs driving up the cost of delivering projects in the post-COVID environment.

Across the full six-year period, councils collectively delivered approximately 96% of planned capital investment ($1.15 billion actual vs ~$1.21 billion planned), although this aggregation masks substantial year-on-year and council-level variability.

The table below provides a summary of the actual versus planned capital expenditure over the FY19 to FY24 period. These figures include Wellington Water and council delivered capital projects. Planned figures represent original Annual Plan budgets for each year. Actuals include unplanned emergency spend.

Summary of Actual vs Planned Three Waters Capital Expenditure (FY19–FY24) ($M)

	Water Supply Planned	Water Supply Actual	Water Supply Difference	Wastewater Planned	Wastewater Actual	Wastewater Difference	Stormwater Planned	Stormwater Actual	Stormwater Difference	Total Planned	Total Actual	Total Difference
HCC	61.8	70.4	8.6	129.1	135.6	6.5	30.6	17.1	-13.5	221.5	223.1	1.6
PCC	68.9	46.5	-22.4	152.5	122.2	-30.3	32.1	23.4	-8.7	253.5	192.1	-61.4
UHCC	11.2	16.5	5.3	23.4	29.1	5.7	27.7	18.2	-9.5	62.3	63.8	1.5
WCC	151.4	150.6	-0.8	266.5	262.5	-4	47.4	41.1	-6.3	465.3	454.2	-11.1
GWRC	206.8	221.3	14.5	0	0	0	0	0	0	206.8	221.3	14.5
Total	**500.1**	**505.3**	**5.2**	**571.5**	**549.4**	**-22.1**	**137.8**	**99.8**	**-38**	**1209.4**	**1154.5**	**-54.9**

Appendix C3: Financing and debt arrangements

Introduction and purpose

This appendix supports the financing and debt arrangements outlined in the Financial Strategy and Sustainability in Part C and is focused on specific detail requested by DIA. It provides very high-level direction on how capital investment may be funded, the structure and management of debt, and details the mechanisms for ensuring liquidity, and managing refinancing risk. The appendix also sets out the principles behind debt attribution and transfer.

Metro Water will develop its own treasury policy during the establishment phase. The material in this appendix is intended to provide early direction to support council decision-making but will not be binding on the future entity.

Debt repayment and refinancing

Metro Water will be responsible for developing a treasury policy during the establishment phase and will set parameters for:

- Acceptable ranges of maturity concentration;
- Liquidity management for upcoming refinancing;
- Use of interest rate hedging tools such as swaps to manage affordability and price path stability.

Borrowings undertaken by Metro Water will likely be structured to reflect the long-term nature of the underlying assets. Loans are expected to be repaid on a principal and interest basis, consistent with standard LGFA lending terms and prudent treasury management. Borrowings will be structured in alignment to the FFO-to-debt target.

Metro Water will likely adopt a spread maturity profile, with borrowing maturities staged across different time horizons. This approach reduces the risk of refinancing large portions of debt in any single year.

The use of hedging tools such as interest rate swaps may be adopted to provide greater certainty over future borrowing costs, supporting long-term price path stability for customers and aligning with Metro Water's Treasury policy financial risk parameters. The role and value of hedging will be shaped by the regulatory model adopted for Metro Water

While it is expected that LGFA will be the primary debt provider, Metro Water's treasury framework should allow for future access to other funding sources. These may include commercial bank lending, green or sustainability-linked bonds, or direct institutional financing, particularly where such options provide strategic flexibility or improved pricing.

The choice of borrowing instruments and counterparties will also be shaped by credit rating considerations, any relevant financial covenants and accounting implications. As such, engagement with credit rating agencies, auditors, and commercial lenders will be essential during the development of Metro Water's treasury policy and capital structure.

Internal borrowing

Internal borrowing refers to arrangements where councils use an internal treasury function to fund capital expenditure across its different activities. While common in local government finance, internal borrowing is not applicable to the WSCCO structure. Metro Water will be a standalone entity governed by its own Treasury Policy. All debt will be externally sourced, primarily from the LGFA.

Debt transfer approach

The Local Government Funding Agency (LGFA) has confirmed that there are two viable options to support the transfer of existing council water-related debt to Metro Water. Both approaches are considered equally valid from a debt headroom perspective, meaning they have a neutral impact on councils' future borrowing capacity.

Option	Description	Key Trade-offs
Staged Approach	Councils retain water debt and repay over time (e.g. 5 years); WSCCO borrows for new capex	**Simpler Implementation**; avoids unwinding loans and swaps breakage costs **Dual Reporting** for councils and WSCCO during transition
Contemporaneous Approach	WSCCO borrows equivalent amount on Day 1; councils repay their debt	**Immediate regulatory clarity**; full WSCCO financial setup **More complex execution**; potentially higher transaction costs.

A key strategic principle underpinning the choice between these options is the minimisation of the overall cost to the community. While the two approaches are broadly comparable at a high level, the optimal solution may differ by council due to local variations in internal borrowing arrangements, hedge positions, and loan maturity profiles.

As such, the determination of the most suitable debt transfer pathway will be an iterative process undertaken as part of the implementation phase. This process will involve a detailed review of council-specific debt arrangements and is expected to be informed by further engagement with LGFA and council finance teams.

Determination of debt attributed to water services

Debt attributed to water services as at 30 June 2024 was determined using the principles set out in the Kevin Ramsay Consulting Ltd peer review report, November 2024 and agreed in-principle by the Advisory Oversight Group (AOG). These principles are intended to provide the basis for shareholder agreements and legal transfer documentation as part of Metro Water's establishment. The methodology aimed to ensure consistency across councils, alignment with published financial data, and transparency of treatment for both legacy and projected debt.

Specifically:

- Opening balances at 1 July 2022 were based on water-related debt figures agreed between each Council and the National Transition Unit as part of the previous government's reform

programme. This provided a common, agreed, baseline for determining debt balances as at 30 June 2022.

- Movements through to 30 June 2024 were assessed using each council's published Funding Impact Statements (FIS), as disclosed in their audited Annual Reports.
- Debt projections to 30 June 2026 were developed using the same methodology (based on annual plan and long term plan budgets) and will continue to be updated as audited results become available to support implementation planning and legal transfer documentation;
- Where the agreed debt transfer amount would result in a material reduction in a council's debt headroom relative to its revenue and asset base, an equity adjustment was considered to maintain fairness and prevent financial disadvantage. This has only been applied in relation to Wellington City Council.

This approach was endorsed as a pragmatic and transparent method that could be consistently applied across the region while allowing for individual council differences (such as internal borrowing or joint venture allocations). It also ensures that Metro Water's opening capital structure will be auditable and compatible with LGFA and economic regulation requirements.

Adjustment for Wellington City Council (WCC)

The key finding arising from applying the debt attribution principles is that WCC would face a material reduction in residual debt headroom as it is providing materially higher revenue to the new entity in proportion to its debt than the other councils. These higher revenue levels from WCC also increase the debt capacity of Metro Water. Other councils' residual debt-to-revenue positions all improve under the same transfer.

Without adjustment, this would leave WCC in a comparatively weaker financial position post-transfer, with reduced borrowing capacity for non-water priorities. In December 2024, WCC agreed to the regional model being their preferred option, on the condition that they receive 'in principle' support from the AOG for "their equitable debt transfer position" ahead of consultation.

An equity adjustment was proposed and supported in principle by the AOG in February 2025. This involved reflecting a placeholder WCC debt transfer value for modelling purposes and treating the associated cost as part of WCC's cost to serve, ensuring no financial impact on other councils. This support was 'in principle' only and non-binding on councils.

Following consultation and further peer review, a modified approach has been developed that aligns with the methodology currently used by WCC to allocate interest costs to activities and is consistent with the principles of the KRC report. This approach ensures that water consumers in Metro Water continue to pay the same underlying debt servicing costs they are currently. It addresses the equity issue by treating the transferred amount as actual water related debt rather than an equitable adjustment, and is consistent with the placeholder value on which WCC has based its revised Long-Term Plan assumptions

The adjustment is expected to be formalised through shareholder agreements and financial transfer documentation as part of Metro Water's establishment.

Recommended indicative net debt transfer levels

Council ($M)	Net Debt 30/6/24	Indicative net debt 30/6/26*
GWRC	245	388
HCC	163	295
UHCC	49	106

PCC	183	320
WCC	631	703
Total	**1,271**	**1,812**

*Final net debt transfer amounts will depend on actual debt movements in FY25 and FY26.

Working capital and short-term borrowing arrangements

In addition to long-term capital funding, Metro Water will need to maintain an appropriate level of cash and working capital to support day-to-day service delivery. These requirements will be formalised through Metro Water's Treasury Policy and financial planning processes.

The establishment phase between Day 0 and Day 1 will be funded by Councils and is planned for in each Council's 25/26 annual plan.

Appendix C4: Addressing known risks

This appendix details how and to what level the proposed WSDP addresses known risks with water services across metropolitan Wellington. The risks presented here were largely communicated by Wellington Water to the councils as part of their 2024-34 long term plan advice.

General / Multi Water

Risk ID	Applies to	Activity/ Service	Risk Item	Risk Level (without mitigation)	Key Mitigation Measures	WSDP investment addressing risks
			Looking After Existing Infrastructure			
1.	HCC PCC UHCC WCC	**Drinking Water, Wastewater and Stormwater**	Current 10-year LTP investment is well short of what is required to renew ageing parts of the network (approximately 50% of what is required). Growth will put pressure on undersized assets (blockages, dry weather overflow, areas with no fire flow capacity). The Capex spend will not address the backlog of renewals. HCC: Drinking Water - 110km of galvanized water pipe that is failing and requires urgent replacement along with significant amount of AC pipe that is failing earlier than expected (PCC) Plimmerton wastewater network Stormwater - Current 10-year LTP investment is short of what is required to renew ageing parts of the network Wastewater - There is a significant quantity of wastewater pipework indicated by theoretical aged based backlog. 10 Year LTP investment focusses on critical high-risk assets and condition assessments are ongoing to confirm condition and remaining life	HH	• Condition Assessment of Assets in Theoretical backlog, taking a criticality and risk approach to prioritising assessment work • Updating asset data based on assessment findings and reassessment of backlog • Planning and implementing risk-based priority renewals within funding limits. This may require a review of the balance of renewals funding between the Three Waters as new asset information comes to light • Wellington Water are developing a predictive failure model for AC pipes and other pipe materials to improve evidence base for critical renewals funding and planning	WSDP 30- year capital programme ensures sufficient investment in network renewals to address the backlog in network renewals within 21 years and continue to renew the network at the rate it is due for renewal from then on. These investment levels are based on the theoretical age profile of the network assets and a unit rate derived from each council's valuations. The operational budget is considered sufficient to provide for interventions (reactive & planned maintenance, etc.) to address the issues identified from condition assessment and not just the condition assessment. **Risk addressed over time.** An elevated risk of asset failure remains until backlog is addressed. Assets have deferred expenditure so the new entity is receiving a liability with high operational costs. Operational budget must ensure ongoing condition assessment of the asset base.
2	HCC PCC UHCC WCC GWRC (Water)	**Drinking Water, Wastewater and Stormwater**	O&M budgets are insufficient for the amount of planned maintenance needed and will result in increased reactive maintenance (leaks, bursts). Operational funding for finding and fixing leaks is constrained and there is a backlog of works to complete. Funding for preventative and reactive maintenance along with investigation and monitoring activities has been reduced or deferred. Wellington Water responses focus on 'responding to impact rather than reducing impact'. Private assets are failing at similar rates to public ones, introducing additional inflow and	HM	• Review and develop risk-based O&M works priorities • Develop an understanding of critical risks and hazards within the operational works areas, monitor and report and adapt programme to allocate resource to areas of highest priority • Work with other utility providers e.g., power, gas to renewal assets where they are undertaking work • Identify areas of expenditure that are imposed on operational costs by other stakeholders and utilities and that may present opportunity for saving through collaboration	The operational budgets recommended by Wellington Water for LTP 2024-34 form the basis of the councils' operational programmes. However, further understanding of the condition of the assets is needed to fully understand ongoing maintenance requirements. Planned maintenance budgets must be reworked by the new WSE on the basis of what maintenance is needed. Historically, Wellington Water has built them in based on a general view of what is affordable or palatable for the councils to consider. Once a full understanding of the assets is attained, maintenance budgets can be targeted to asset components before they fail. **Risk partially addressed** due to slightly increased budgets in the WSDP however, additional work is required by the WSE.

			infiltration into the network and treatment plant.			
3	PCC HCC UHCC WCC	**Drinking Water, Wastewater and Stormwater**	Control of discharges i.e., wastewater and stormwater overflows are unable to guarantee environmental improvements. As a result, mana whenua and community expectations are unable to be met e.g. Murphy Street interceptor overflow point, Otari Wilton Bush, overflows into Porirua Harbour, Black Creek in Wainuiomata.	MH	• Fund growth related capital and renewals projects and levels of service improvements which minimise reduced environmental water quality	Budget has been allocated to the Network Discharge Programme (NDP) for wastewater and stormwater based on current cost estimates, and to water quality investigations to address inflow and infiltration issues. Operational budget must also be prioritised to educating customers on contamination issues as fixing issues in the public network will only fix part of this problem – customers need to do their bit on their properties too. **Risk partially addressed.** The NDP Programme is yet to be fully defined.
4	HCC PCC UHCC WCC	**Wastewater and Stormwater**	Achievement of global wastewater network and stormwater discharge consents is estimated at $4.7B (2040 standards, unbudgeted) and there is no certainty investment will achieve GWRC targets	MM	• None identified at present	Budget in the WSDP programmes investment as recommended based on current knowledge, except for a few catchments where investment has been dragged out a couple of years due to regional deliverability challenges. **Risk stands.**
5	HCC PCC UHCC WCC	**Drinking Water and Wastewater**	**Water supply and wastewater services.** Pumpstations are at risk of failure due to a backlog of renewals, condition and funding constraints. The current Capex is not sufficient to address the required investment, and there is a backlog of mechanical and electrical asset related renewals. The lead time for specialist replacement equipment may be long, leaving customers with no or a lower level of service e.g., lower water pressure, routine wastewater overflows, increased reactive costs	HM	• Target renewals and capital funding based on criticality.	Budget in the WSDP allows for ongoing renewals at sustainable rate, based on an average asset life of 50-year (for all components). There is a reasonable level of detail available regarding renewals timeframes for the asset components within the pump stations, however, further analysis is needed on the condition of the structures. There is an elevated risk of unexpected failure renewals are rolled out. Wastewater and stormwater pump stations are of particular concern as they are 'lowest point' therefore adjacent to waterways, foreshores, gullies etc and have higher maintenance requirements. **Risk addressed over time.**
6	HCC WCC PCC	**Wastewater and Stormwater**	Capacity of parts of the stormwater and wastewater network are insufficient to meet growth projections with current I&I and will cause overflows and will also not meet anticipated consent requirements Streams, rivers and harbours contain faecal material	MM	• Network optimisation programmes • Hydraulic modelling and planning • Contingency planning and monitoring • Network upgrade design, funding and implementation • Stormwater discharge treatment options, planning and implementation	Ongoing network modelling is included for all councils. Ongoing budget for Drainage Investigations Water Quality Renewals. **Risk partially addressed over time.**

Water supply

Risk ID	Applies to	Activity/ Service	Risk Item	Risk Level (without mitigation)	Key Mitigation Measures	WSDP investment addressing risks
			Looking After Existing Infrastructure			
7	GWRC	**Water Supply**	Current 10-year LTP investment is well short of what is required to renew ageing parts of the network.	HM	• Condition assessment of assets in theoretical backlog, taking a criticality and risk approach to prioritising assessment work • Updating asset data based on assessment findings and reassessment of backlog • Planning and implementing risk-based priority renewals within funding limits. This may require a review of the balance of renewals funding between the Water Supply as new asset information comes to light	The WSDP 30- year capital programme ensures sufficient investment in network renewals to address the backlog in network renewals within 21 years and continue to renew the network at the rate it is due for renewal from then on. These investment levels are based on the theoretical age profile of the network assets and a unit rate derived from each council's valuations. The lack of condition assessment requires an assumed age renewal date. This is particularly concerning for the bulk water mains which are all critical assets and many of which have not had a physical asset condition assessment

					• Implementation of Cathodic protection to significantly extend the asset life of the existing aging assets is a key mitigation – work underway.	**Risk partially addressed**
8	HCC PCC UHCC WCC GWRC	**Water Supply**	Water demand for GWRC has increased significantly over the last 10 years and has threatened to exceed the network capacity. This adverse trend has been primarily caused by an increase in water loss from the city council reticulation networks. Water supply reliability over summer is at risk and a new water supply is needed. This is contrary to the principles of te mana o te wai. The key risks related to this (and identified in the Wellington Water Risk register) are: • Wellington Water will be unable to meet peak demand (acute); and • Wellington Water will be unable to meet future demand (strategic).	HH	GWRC and Wellington metropolitan councils via their LTP funding programmes to implement the 'Keep, Reduce, Add' sustainable water supply strategy. This means: • **Network optimisation programmes** Keep water in the pipes by managing water loss and replacing old infrastructure. • **Water loss management programmes** Reduce water demand through universal metering and demand management. Minimising the future cost of water infrastructure by exploring ways of reducing the demand for water and influencing water use behaviour • **Capital investment in the additional lakes/storages** Add more supply by completing the Te Marua WTP optimisation project and constructing the proposed Pākuratahi Lakes 1 and 2. • HCC & UHCC - new water reservoirs on Eastern Hills planned to meet growth and improve resilience	Water network pipe renewals budgets in the WSDP increased to address backlog and maintain sustainable level of ongoing renewal. Water metering delivered by FY31/32. Pākuratahi Lakes delivered by FY37/38. **Risk largely addressed by FY37/38 with improvements before then.**
9	HCC PCC UHCC WCC	**Water Supply**	Reservoirs condition means that contamination can occur (non-conformance with safe drinking water). This could result in contaminants reaching customers and water not being safe to drink / unhealthy. Funding for the replacement Aotea reservoir has not been secured. There is insufficient funding for renewals. Overall seismic resilience across all reservoirs is lower than Wellington Water considered the level of required storage.	HM	• LTP funding • Increased monitoring including using Storage Management Plan processed • Increase maintenance if funding is made available • Fund for seismic resilience improvements across targeted reservoirs • Funding of remediation work (agreed) followed by renewal or capital works • Immediate term demand management plan implementation • Storage upgrade planning, funding and mitigation	There is ongoing annual budget for all metro councils for general reservoir renewals and seismic improvement of at-risk reservoirs. Ongoing condition assessment will increase understanding of asset condition over time. Ongoing Reservoir Water Quality Renewals budget is allowed for in the WSDP. This must be targeted to remediation of water quality issues identified through condition inspection. **Risk addressed over time.**
10	HCC PCC UHCC WCC	**Water Supply**	There is insufficient existing reservoir storage (design, growth, fire demand). Additional water storage capacity to meet resilience and the current growth shortfall is needed. While growth is continuing, this is degrading remaining capacity. (PCC) Additionally, developers are installing onsite storage to mitigate some risk.	HH	• Immediate demand management plan implementation • Storage upgrade planning, funding and mitigation • (HCC) Eastern Hills reservoir programme (by FY 30/31) • Fund for reservoir capacity improvements • Applications for new connections off these reservoirs are denied.	All known growth / capacity related reservoir related investment (upgrades and new reservoirs) are included in the WSDP. Not all of these are affordable within the recommended delivery timeframes however, so **risk is only partially addressed.**
					•	
11	ALL	**Water Supply**	The Whaitua recommendations for changes to the GWRC Natural Resources Plan. Reduced water availability during through an expected increase in low flow	HH	• Through the Whaitua processes, reduce the volume of water abstracted from catchments • Keep, add and reduce strategy.	Pākuratahi Lakes delivered by FY37/38. **Risk addressed when lakes are delivered.**

			limits after reconsenting water takes in the mid-2030's. There is therefore an inability to reconsent water takes in 2035 unless there is additional water storage available to offset a reduced ability to extract water at times of low river flow. There is a delivery lead time of 10 years for lakes works.		• Ensure funding remains committed for construction of Pākuratahi Lakes expansion in the final three years of the LTP (2031-34)	
12	GWRC	**Water Treatment**	Waste stream at Wainuiomata Water Treatment Plant lacks redundancy and capacity. A failure of the plant, prior to completion of wash plant capacity & quality upgrade in 2031/32, will impact the performance of the water treatment plant and will eventually cause failure of provision of water. Consents for discharge of contaminants from the waste stream are at risk of breach due to the waste stream inability to treat.	MM	• Ensure that funding for FY 31/32 remain in future LTPs (or equivalent funding programmes) • If possible, bring forward funding given the criticality of this work to ensuring continuity of production water.	**Risk remains until Capacity and Quality upgrade is completed in FY31/32.**
13	GWRC	**Water Treatment**	Condition of some Water Treatment Plant and Water Intake assets may lead to operational disruptions and increased operational costs if the assets fail before the currently scheduled renewals:- assets include Waterloo Wellfield Pumps, Waterloo Treated Water Pumps, Te Marua Booster Pumps, Te Marua Treatment Pumps, all Water Source Intakes, Macaskill Lakes water quality improvements to improve source water quality.	HM	• Plan and implement a criticality-based renewals and resilience works programme across all intakes • Undertake supply upgrades e.g., Te Marua DAF, additional storage.	Renewals investment in the WSDP is based on councils latest valuations and an assumed average useful life of 40 years for all assets. This annual level of investment totals $12.3 M and is ~$5M less per year than the renewals budgets in the LTP from FY27-33 ($17M). It is assumed that the LTP investment will address all deferred renewal requirements (backlog in renewals) and from FY34 onwards the water treatment plant assets will be renewed as they are due for renewal. The level of condition assessment completed on the water treatment plant assets is also very low (only ~6% of assets in the treatment plants has been assessed). The water treatment plants also contain a high number of costly property equipment with long lead times to arrive in New Zealand. Therefore, there is risk that the budgets allocated in the WSDP may insufficient. A Detailed renewals programmed must be developed based on condition assessment. **Risk partially addressed. Uncertainty of investment need remains.**
14	GWRC	**Water Treatment**	The full benefits of output capacity increase from Te Marua Treatment Plant optimisation will only be achieved once the pump station upgrade in completed in 2028/29. Both projects are funded in LTP. Until then, 50% of benefit realisation from delivering treatment plant optimisation by 2025, will help in reducing acute water shortage risk in the short term	HH	• Continue phased treatment plant optimisation works Ensure funding identified in the 24/34 LTP for optimisation works in FY 28/29 are confirmed in the FY 27/37 LTP (or equivalent)	No change in the WSDP. There is no ability to bring this forward any sooner. **Risk stands.**
15	GWRC	**Water Treatment**	While water treatment plants and discrete parts of the network are seismically resilient to a degree, overall, bulk water assets do not meet the required earthquake resiliency standard for minimising impact and ensuring provision of safe drinking water following	HM	• Establish the level of resilience of the current assets before mitigation plans are developed • Ensure sources e.g., Waterloo bores, transfer pumpstations and transfer mains are included in the resilience assessment • Provide a prioritised and funded programme of work	$690M allocated in the WSDP for seismic resilience upgrades of the bulk water network over 30-years. **Risk partially addressed** with some seismic resilience investment included in the plan. However, risk tolerance and priority of investment towards seismic activity must be considered by the new WSE.

			a significant earthquake event including Waterloo treatment plant (liquefaction), Te Marua clarifiers, Ngauranga Reservoir			
16	ALL	Water Supply	The Keep Reduce Add strategy has identified short and long term supply and demand interventions required to address water supply risks. However, further investigations and studies are required to confirm the feasibility and timing of the long term additional supply and storage options. Implementation of the future supply and storage options could be deferred well into the future depending on the efficacy of demand and water loss reduction in the short term, particularly with the Managed Aquifer Recharge project. Communicating the intent and timing of these initiatives before they are adequately investigated and there is greater certainty of their timing could result in unfavourable response from the community.	MM	• Continue to progress business cases and investigations iteratively as new information on current and projected demand comes to light.	Investment for all Keep Reduce Add strategy recommendations included in the capital programme. How these roll out and are communicated with the community must be managed carefully by Metro Water. Full investment required to deliver these long term interventions must be prioritised once the timing and preferred solutions are confirmed.

Stormwater

Risk ID	Applies to	Activity/ Service	Risk Item	Risk Level (without mitigation)	Key Mitigation Measures	WSDP investment addressing risks
17	HCC PCC UHCC WCC	Stormwater	(HCC, UHCC) Specific Growth Study notes that approximately $800m of investment is required to upgrade stormwater across the City to meet growth and achieve target standards. This is not currently funded. Unbudgeted costs may arise. (PCC) Funding has been limited for existing Levels of Service flooding issues e.g., Karehana and Hongoeka catchments and Takupuwahia pipe upgrades. Stormwater VHC assets Papakowhai Road, Bernie Wood Reserve, Hampshire Street and Sievers Grove are examples.	**HM**	• Investment in the stormwater network including adaption practices and mitigation measures • Network optimisation programmes • Hydraulic modelling and planning • Contingency planning and monitoring • Network upgrade design, funding and implementation	$2.1B in the WSDP for stormwater investment to reduce flooding. Stormwater related improvements gets proportionately more costly as stormwater volumes increase. Stormwater infrastructure is located in very difficult places to replace, build and / or increase capacity. While there is significant investment allocated in the WSDP for stormwater flooding improvements, this may still not address the flooding issues to a level expected by the community. Some communities may have to accept lower flooding resilience levels or other interventions such as managed retreat may need to be considered. **Risk partially addressed** however an appropriate Level of Service for flooding must be agreed with councils and communities.
18	HCC PCC UHCC WCC	**Stormwater**	Roles and responsibilities around management of stormwater where it enters urban streams is unclear. This includes planned maintenance activities.	MH	• Agree on ownership, responsibilities and allocate a budget to manage urban streams and stormwater entry points. • Inform customers of ownership and management responsibilities	The new WSE could take the lead in managing / addressing this risk, but it must be clear what the budgets do and don't address/ cover and there will remain significant uncertainty. It is the role of the new WSE to determine what the risk tolerance is and understand this in terms of the existing capacity.
19			**Climate Change and Zero Carbon**			

	HCC PCC UHCC WCC	**Stormwater**	Coastal stormwater outfalls experiencing sea level rise resulting in increased sedimentation and need for more frequent clearing. (PCC) The stormwater network experiences flooding, high groundwater levels and climate change (coastal erosion impacts on outlets) (UHCC) Pinehaven stream stormwater improvements (Phases 4 and 5) investment has not been committed to. Without this work the objectives of the GWRC's flood management plan will not be met Climate change may drive an increase in the frequency and extreme (impacts) of storm event.	MH	• Adaptive climate change modelling and planning • Long term stormwater planning • Investment in the stormwater network including adaption practices and mitigation measures. Cannons Creek works (Kainga Ora and PCC)	See item 17 and 18. Pinehaven stages 4 and 5 not in programme. **Risk partially addressed.** Bill 3 requires the development of stormwater risk management plans. These will need to be collaborative between Metro Water and the council.

Wastewater

Risk ID	Applies to	Activity/ Service	Risk Item	Risk Level (without mitigation)	Key Mitigation Measures	WSDP investment addressing risks
			Looking After Existing Infrastructure			
20	HCC PCC UHCC WCC	**Wastewater**	Contamination events will increase, with mana whenua and community expectations not being met as renewals investment is not at the right level	HM	• Rapid response to notifications (onsite, stop overflows)	The WSDP 30- year capital programme ensures sufficient investment in network renewals to address the backlog in network renewals within 21 years and continue to renew the network at the rate it is due for renewal from then on. These investment levels are based on the theoretical age profile of the network assets and a unit rate derived from each council's valuations. Increased network capacity and customer education of private property contamination are also needed. These are also funded in the capital programme but even with the renewal's investment, may not address this risk entirely. **Risk partially addressed**
21	PCC	**Wastewater**	Wastewater network resiliency is compromised due to underinvestment and growth is continuing ahead of asset renewals and capital upgrades. Key projects include the Eastern Porirua Regeneration Project - Overall upgrades - Wastewater (excl JV), Western Porirua, Ngati Toa lead development - Wastewater (excl JV), Whitby Wastewater (excl JV) Pipe Upgrade and CBD storage	HM	• Review and improve operations plans and procedure to optimise performance within the known asset constraints • Develop contingency plans • Review the demand management data (including I &I reduction) benefits and any current implementation as part of an integrated wastewater strategy for PCC	Identified projects all funded within the WSDP capital programme. **Risk addressed over time.**
22	WCC	**Wastewater**	The condition of some VHCA pipes under Wellington Airport have been determined	MH	• Contingency planning • Increase maintenance (if possible)	Airport WW Interceptor delivered by FY31/32 Eastern Trunk Main Stage 1 delivered by FY28/29

			as very poor. There is a significant cost to remedial works e.g., disruption, complexity. Improvements works have been deferred from the FY 23/24 capital programme Critical wastewater mains are in very poor condition and there is a potential for non-compliance: • BP Horokiwi (Newlands) $720k to maintain services • Western WWTP outfall (step country)		• Fund renewals covering all asset	Western outfall delivered by FY 32/33 Significant increase general network renewals allocated in the WSDP. **Risk addressed once high-risk renewals are delivered, over time.**
23	PCC	**Wastewater**	The Paramata rising main surcharges at a location near SH59 and the main trunk railway. This could interrupt traffic and rail services.	HH	• Fund increased capacity in the rising main • Identify and control/reduce inflow and infiltration	Paremata WW Trunk Upgrade Stage 2 is delivered by FY32/33 **Risk addressed once delivered.**
24	HCC UHCC	**Wastewater**	Erosion occurring on the Hutt River potentially undermining 825mm bulk wastewater pipeline adjacent to Taita rock.	HM	• Monitor and assess erosion impacts on bulk pipeline • Contingency plan development • Plan and seek funding for pipeline upgrades/erosion mitigation works	Significant increase general network renewals allocated in the WSDP. Specific budget must be allocated to this highly critical asset early in the programme. **Risk addressed once high-risk renewals are delivered, over time.**
25	HCC UHCC	**Wastewater**	(HCC, UHCC) Seaview main outfall pipe working at around 50% capacity needs renewing or upgrading with no budget provision for physical works - expected to be around $700M. There is a consequential increase in opex and increase in treated discharges to Waiwhetū Stream	HH	• Review and improve operations plans and procedures to optimise performance within the known asset constraints • Develop contingency plans • Plan and seek funding for outfall upgrades as part of an integrated wastewater strategy for HCC • Review the demand management data (including I &I reduction) benefits and any current implementation as part of an integrated wastewater strategy for HCC	Seaview Outfall Pipe delivered by FY35/36. **Risk addressed once constructed.**
26	HCC UHCC	**Wastewater Treatment**	Sludge dryer at Seaview WWTP is nearing its end of life (JV specific) with increased community dissatisfaction (odour)	HM	• Monitor and assess dryer performance • Contingency plan development • Sludge dryer upgrades funded in the LTP	No change to LTP programme. Delivered by FY27/28. **No impact on WSDP delivery period.**
27	HCC UHCC	**Wastewater Treatment**	The redundancy of Seaview WWTP is inadequate for major maintenance while ensuring compliance can be met (JV specific). There is no funding to increase WWTP redundancy	HH	• Contingency plan development, funding and implementation	No specific capital investment in the WSDP for redundancy related improvements. Additional work required to understand what is needed to provide for this. **Risk stands**
28	WCC	**Wastewater Treatment**	Moa Point Sludge transfer facility (SMF) is not completed	HL	• Construct the sludge management facility (SMF)	This is being delivered outside of the WSDP. Ongoing maintenance costs have been included in the WSDP operational budgets.
29	PCC	**Wastewater Treatment**	PCC WWTP unit process limitations (ammonia reduction requirements) will limit growth related inflow	HM	• Undertake ammonia reduction improvements in 2031/2032 (growth projections limited)	Investment in WSDP capital programme **Risk addressed over time.**
30	PCC	**Wastewater Treatment**	Sludge (solids) drying components at the new PCC WWTP are at capacity (limited redundancy)	HM	• Continue project to improve the solids handling capacity and improve odour treatment (2025).	No change to LTP programme. Delivered by FY27/28. **No impact on WSDP delivery period.**

31	PCC	**Wastewater Treatment**	Landfill disposal of WWTP sludge at Spicer Valley may not be permitted after 2030 (consent renewal)	HM	• Identify sludge reduction options (treat and reduce at source). • Identify and allocate funding for onsite treatment or removal to secure acceptable locations for disposal •	Sludge reduction Dryer delivered by FY 31/32. **Risk partially addressed.** Additional investment may be required.
32	WCC	**Wastewater Treatment**	The condition of the Moa Point WWTP assets means that there will be compliance issues. The condition of the Western WWTP assets mean non-compliance may occur. Both WWTP are operating at or near the end of their useful lives.	MM	• Undertake renewals and capital works as soon as possible	Bottom-up investment programme driven by asset data, along with ongoing renewals budgets in WSDP. **Risk addressed in time as required renewals and upgrades are delivered.**
33	WCC	**Wastewater Treatment**	There is a complete reliance on the Southern Landfill to accept sludge from WWTP. Alternative sludge management options are not found or completed within the Wellington area e.g., Moa Point SMF, then sludge may need to be transported to the Waikato Region	HL	• Fund Sludge Management Facilities works in the long term plan	**Risk addressed once complete.**
34	WCC	**Wastewater Treatment**	The Houghton Bay closed landfill produced leachate, which discharges this into Houghton Bay during wet weather events. The consent for leachate discharge has expired.	HM	• Undertake landfill remediation	Included in the WSDP capital programme for delivery by FY33/34. **Risk addressed.**

Risk	***Likelihood***		
Consequence (Impact)	Low	Medium	High
High	HL	HM	HH
Medium	ML	MM	MH
Low	LL	LM	LH

Appendix C5: Risk management and insurance arrangements

Overview

Work is underway to establish Day One insurance arrangements for Metro Water. This work includes identifying existing approach to insurance across the councils and considering opportunities for councils to novate existing insurance policies to the new entity. AON, who act as the insurance broker for all councils currently, are providing assistance to ensure that Metro Water has appropriate insurance cover.

All the Councils currently hold insurance cover for material damages and natural catastrophe events to their three waters infrastructure, including below ground assets and above ground infrastructure such as treatment plants and pump stations.

Hutt City Council, Porirua City Council, and Upper Hutt City Council are currently part of a joint insurance procurement arrangements, where insurance is procured from the market under a single joint policy. This joint arrangement also includes Kāpiti Coast District Council. GWRC insures above ground assets jointly with Porirua City Council. Joint arrangements will need to be revised on establishment of Metro Water.

In parallel with infrastructure insurance, there is an immediate requirement to secure Directors and Officers (D&O) insurance prior to the appointment of the establishment board and Chief Executive.

Critical assumption

Across all councils, insurance arrangements rely on government's historical 60/40 risk share arrangements for post disaster restoration of essential local government infrastructure. This means all councils are currently insured for only 40% of the value of their three waters infrastructure for natural disasters.

The group has assumed that these arrangements will persist and continue to apply for a water organisation. These arrangements are set out in section 33 of the *Guide to the National Civil Defence Emergency Management Plan 2015*. While the group has assumed that these arrangements will continue to be available to Metro Water, it is noted that the *Guide to the National Civil Defence Emergency Management Plan 2015* states that assets must be local authority assets, which are not the property of trading utilities. Further clarification of this matter is critical for the future water organisation.

Current arrangements

The current insurance arrangements for the participating councils are set out in the table below.

	GWRC	HCC	PCC	UHCC	WCC
Broker	AON				
Renewal date	1 May				31 May
Total cover	$190M insured material damage for	Natural Catastrophe: $800m any one loss or series of losses arising out of any one event (40% placed + 60% central govt) shared			$150m (40% of $375m)

	above ground infrastructure. $50M natural catastrophe cover for below ground infrastructure.	between Hutt City, Porirua City, Upper Hutt City & Kapiti Coast District Councils Material Damage $500,000 any one loss of series of losses arising out of any one event (Earthquake 40% placed + 60% central govt, All Other Perils 100%) shared between Porirua City & Greater Wellington Regional Councils)			
Reliance on the 60/40 government contribution?	Yes across all insured assets				
Excess	5% of insured value capped at $25M for material damages. $30M for natural catastrophe.	$3,000,000 each and every claim	Natural Catastrophe: $1,000,000 each and every claim Material Damage: - Earthquake 5% of the site sum insured, minimum excess $100,000 - Maximum $25,000,000 - Landslip $250,000 - Subsidence $250,000 - Flood $100,000 - Other Losses $50,000	$1,000,000 each and every claim	$10,000,000
Last risk assessment	2025	2025 Modelling is underway. Previous modelling was completed in March 2019.			2024
Assumed level of cover	1 in 1000 year event	Loss modelling considers the 1 in 500 and 1,000 year event probability. Insurance limits are informed by modelling as well as availability and affordability of insurance.			1 in 1,000 year event used to assess insurance gap and risk
Estimated replacement value of	$864M for assets covered by	$6,346M (WSP Valuation Dec 24)	$1,538M ($1,493M (Aon Valuation	$1,739M (WSP Valuation Feb 25)	$9,949M

insured assets	material damages. $897M for assets covered by natural catastrophe.		April 25) plus pumping stations etc $44M		
Insurance gap	Estimated $30M	No gap based on 2019 modelling.			$296m (excluding the policy deductible)
Approach to self insurance	MD The insurance gap for material damage would be covered through borrowings. Nat Cat Self insurance is built into the policy settings which is covered through cash reserves (FY24 - $52M)	Water assets are fully insured. HCC has adopted a higher level of excess than other members of the combined policy group.	Maintenance of debt headroom to fund unexpected losses	Maintenance of debt headroom to fund unexpected losses	Council operates a self-insurance reserve fund covering losses that fall below the deductible, with the intention that this fund would be available to cover deductibles in a large scale event. Council also "sets aside" debt headroom of $272m below the self-imposed debt limit to cover for a medium sized event. Large/catastrophic events would pass into additional headroom between the self-imposed limit and actual limit set by LGFA.

Delegations	Head of Corporate Risk and Assurance is responsible for arranging and providing instructions. CEO approves invoice. Reporting to executive leadership team, finance risk and audit committee and WRC Holdings Board.	Delegation to set the insurance budget is with the Council. The approval of invoices is undertaken in line with Financial Delegation Policy. Reporting to Corporate Leadership Team and Audit and Risk Subcommittee.	General Manager Corporate Services is responsible for the management of Council's insurances and financial risk management practices. Insurance operations is delegated to the Manager Risk and Assurance.	Delegation is with the Group Manager Corporate Services	Structural changes to the policy make up are approved through the Council's Audit and Risk committee (which holds the delegation for insurance). Annual processes are managed as operational decision with approval for premium expenditure delegated to the CSFO and COO. Claims management is contracted to Aon with decision making outside of policy conditions delegated to the Treasurer.
Notable exclusions	All three waters infrastructure is insured through either Material Damages or Natural Catastrophe cover.	Some standard exclusions: damage by cyber incident, war, terrorism, nuclear weapons; does not insure land, legal liability, Noting also that the Natural Catastrophe policy as indicated by it's very name is restricted to losses by natural event and excludes other forms of damage.			

Notable differences across current policies

Key differences between the insurance policies and approaches taken include:

- Varying levels of deductible/excess. Alignment of the approach to managing the balance between deductible/excess and premium will likely be required over time, and will need to be determined by Metro Water having regard to the balance between risk and affordability. Financial modelling presented in this WSDP includes the provision of debt headroom which may allow for a higher level of excess to be adopted, however this will require a detailed assessment of any underlying insurance gap.
- Policy renewal dates. Details are currently being worked out regarding the mechanisms to transfer existing policies to Metro Water on its establishment. These discussions may also cover the renewal term for new insurance policies, which may require insurance to be purchased for 11 months (in the case of WCC) or 13 months (for the remaining councils) to ensure alignment of renewal dates moving forward.
- Approach to self insurance. Financial modelling supporting this WSDP incorporates the provision of debt headroom. This may allow Metro Water to adopt some level of self insurance, however the extent of the existing insurance gap has not been fully assessed at this stage as risk modelling has not been completed for 3 of the 5 councils.

Risk exposure and appetite

There is an estimated insurance gap, based on risk modelling, of approximately $350 million across the constituent councils (or $400 million when deductibles are included). Further risk modelling which is currently underway is likely to cause the estimate of this insurance gap to increase, however this is yet to be quantified.

Financial modelling for Metro Water assumes a 9% FFO to debt ratio, which includes a headroom allowance in relation to LGFA's lending guidance. The lending headroom is sufficient (at $670 million in 2033/34) to cover the insurance gap if so required.

Prior to this Metro Water has been modelled to fall below LGFA's lending covenants, as it transitions towards compliance with the covenants over time. During this period, the level of financial risk may be such that a greater level of insurance coverage will be required. Full details of the cost and approach to covering that insurance risk will be determined once loss modelling has been completed for HCC, PCC, and UHCC.

Loss assessments are completed separately for WCC and GWRC. When considering the total probabilistic loss for Metro Water new loss modelling will likely be required based on the larger geographical area. This may alter the total risk profile across the region, and it is difficult to determine at this stage whether the overall impact would be positive or negative.

Longer term, we expect that Metro Water will undertake its own risk assessments based on detailed risk modelling to determine the appropriate level of cover.

All councils currently insure to the level of anticipated damage in a one in 1,000-year event. Events of a larger scale than this are not fully insured.

Market availability risk

There is a risk that the insurance market does not have sufficient coverage supply to meet the combined insurance requirement of Metro Water. While the combined coverage level is unlikely to change materially, a key consideration is the concentration of risk for insurance underwriters.

Until such time as the water organisation tests the insurance market, it is difficult to determine the level of insurance supply that is available, or the price at which it will be available. This is a risk that will need to be monitored and managed by the water organisation after establishment.

Other Insurance Requirements from Day One

In addition to infrastructure-related insurance, Metro Water will require a broader range of operational insurances to be in place from Day One. These include, but are not limited to: Business Interruption, Public Liability, Statutory Liability, Employers Liability, Crime, and Cyber insurance.

These insurances are not all typically required by councils in their current form but will be required for a standalone utility entity. Procurement planning should commence during the establishment phase to ensure appropriate coverage is secured in advance of go-live, aligned with Metro Water's risk profile.

Appendix C6: Charging and billing arrangements

Introduction and purpose

Metro Water will be responsible for setting pricing in accordance with pricing principles agreed through shareholder Statements of Expectations and the Water Services Strategy. This will also potentially be informed a consumer charter. Over time, the regulatory framework will likely ensure alignment between pricing, service quality, and efficiency. This appendix sets out a high-level directional approach which may be developed over time by Metro Water, guided by the Statement of Expectations set by Council shareholders.

Current charging and billing arrangements

Water services in the Wellington region are currently charged through a variety of mechanisms, which differ significantly across councils and customer types. These differences include whether charges are based on property value, connection units, or actual water use (metered), and whether stormwater is charged separately or bundled into general rates.

Council	Drinking water charge (basis)	Wastewater (Sewer) charge (basis)	Stormwater charge (basis)
Wellington City	Targeted rate per $ of **capital value** for unmetered; Optional metered users pay volumetric ($/m^3)	Targeted **capital value rate** on connected properties (residential vs commercial differential) (No per-dwelling flat fee.	**Targeted CV rate** on urban properties (differentiated between res/com) (Included in rates bill as "stormwater network" charge.)
Hutt City	**Uniform annual charge** per SUIP (e.g. $746 in 2024/25) No residential volumetric metering and volumetric water user charges for commercial users.	**Uniform annual charge** per SUIP (e.g. $766); commercial properties pay +50% for each extra toilet/urinal.	**No separate stormwater rate** – funded via general rates (CV-based). Stormwater not itemized on water bill.
Porirua City	**Uniform annual charge** per connection (e.g. ~$699 in 2024/25). No metered residential charges.	**Uniform annual charge** per connection (e.g. ~$790). (No extra pan charges; one fee per property.)	**No separate stormwater rate** – funded through general rates (CV). No direct stormwater charge to consumer.
Upper Hutt City	**Uniform annual charge** per connection (e.g. $579) (2024/25); 50% "availability" charge for not-yet-connected properties. 20% of water supply services for fire	**Uniform charge** per pan (approx. $584 for first toilet) (2024/25). Residential charged for 1 pan; businesses for each toilet.	**Targeted stormwater rate** based on CV for properties in Urban Drainage District (2024/25) (rural excluded).

	protection services - targeted rate based on CV.		
Greater Wellington	**Bulk water levy** charged to city councils (allocated by usage). No direct household water rates charged by GWRC.	*N/A* (GWRC not involved in retail wastewater services).	**Flood protection rates** on certain areas (CV-based), but *no direct stormwater network charge* to households.

Key observations

- **Capital value-based charging** is used only in Wellington City (and marginally in Upper Hutt for fire protection and stormwater). Other councils have moved to **uniform charges per property or SUIP**, offering more predictable revenue and billing simplicity.
- **Wastewater charging methods** vary:
  - WCC uses CV-based targeted rates with residential/commercial differentials.
  - HCC, PCC and UHCC apply **pan charges** to account for commercial loadings.
- **Stormwater charging** is inconsistently treated:
  - WCC and UHCC apply **targeted rates**.
  - HCC and PCC fund stormwater through general rates, meaning ratepayers do not see stormwater as a separate line item.
- **Residential water metering** is rare across the region, with the exception of a small subset in Wellington. Most residential properties are charged **regardless of consumption**.
- **Non-residential users** may face additional charges for trade waste or metered usage, especially in HCC and UHCC.
- **GWRC** plays a **wholesale role**, supplying treated bulk water to the four city councils. It does not charge individual households directly.

Charging for water services by supply scheme or catchment

This section sets out general direction on potential charging, pricing, and revenue collection arrangements by Metro Water, including transitional arrangements. It also outlines differences between customer types (residential, commercial), approaches to pricing for each of the three waters, and the treatment of supply schemes or catchments that have differing costs or service levels.

Customer direct billing and transitional arrangements

Under the proposed regional model, Metro Water will bill customers directly for water services (process and timing will be dependent on systems to enable this). Charges will no longer be collected through council rates. This reflects a fundamental shift from the current council-operated model (where water services are funded via general or targeted rates) to a utility-style model that separates water services from broader council business.

During a transition period the following arrangements may be in place (which will be determined during the establishment phase informed by financial and customer system requirements):

- Each council temporarily retains aspects of their existing billing systems to support customers during the shift.

- Transitional charging arrangements apply, allowing legacy rate-based pricing to phase out over five years, especially where councils like WCC have historically used capital value (CV)-based charges which will no longer be possible under the Local Government (Water Services) Bill.
- Councils will have input via the shareholders agreement and statement of expectations into how transitional protections or caps are applied, especially for vulnerable or high-burden communities.

Cost-to-Serve, price harmonisation, and regional pricing transition

Water charges under the proposed regional model are expected to initially be informed by a cost-to-serve approach, recognising the differing investment needs, infrastructure condition, Council legacy debt arrangements, and operating contexts across councils and supply schemes. However, over time, the water organisation is expected to transition toward a harmonised regional pricing model, consistent with the strategic objectives of equity, efficiency, simplicity, and affordability. Specific shareholder expectations on cost to serve and the path to harmonisation will be further detailed in the Councils' Statement of Expectations.

Initial cost-to-serve basis

In the early years of operation, pricing is likely to reflect:

- Differences in the level of historical investment in water infrastructure across council territories;
- Variations in service delivery costs due to geography, population density, and asset condition;
- Council-specific positions on debt, revenue, and asset performance;
- Localised investment profiles driven by renewals, regulatory compliance, and growth demand.

This approach ensures that revenue collected from each area aligns with the level of service received and the investment required to deliver it. It also supports early financial sustainability by avoiding sudden price changes across the region.

Strategic direction toward harmonised regional pricing

Over time, this plan envisages that Metro Water may adopt a more uniform and regionally harmonised pricing approach. This may occur over 5-7 years and this transition reflects the benefits of delivering water services through a single, regionally owned organisation, including:

- The ability to plan, finance, and deliver investment across the entire network in a coordinated way;
- A focus on regional outcomes such as resilience, housing growth enablement, and environmental improvement;
- Simplified billing and clearer communication for customers;
- A consistent customer experience and service quality, regardless of location.

A harmonised pricing approach will also enable the water organisation to spread costs more evenly across the customer base, particularly where major regional projects (such as bulk supply or wastewater treatment upgrades) benefit multiple communities.

Regulatory guidance

The Commerce Commission is likely to eventually provide oversight of pricing through the economic regulation framework. Under this model:

- Metro Water will likely be subject to information disclosure and over time price-quality regulation
- The Commission will likely assess the reasonableness and efficiency of tariffs, investment plans, and cost structures.
- Pricing pathways must demonstrate both revenue sufficiency (to fund operations and capex) and efficiency (no overcharging).

While formal economic regulation may be phased in over time, early engagement with the Commerce Commission will be critical to shaping proportionate, fit-for-purpose arrangements for Metro Water that reflect its scale, risk profile, and public accountability obligations

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Drinking water volumetric charging

Metro Water will likely introduce volumetric charging for drinking water. This will rely on the successful rollout of water meters. The rollout will be prioritised over time based on detailed business case development and council prioritisation.

Once meters are installed and operational, customers will transition to usage-based billing - enabling more equitable pricing and incentivising water efficiency.

The timing of metering rollout is closely linked to the timing of the capital investment programme. By reducing water demand, metering can help defer the need for new bulk water sources, easing pressure on infrastructure and delaying capital expenditure.

Implementing volumetric charging will require careful calibration to ensure revenue sufficiency. Experience from councils such as Kāpiti Coast shows that a significant proportion of customers may reduce consumption below average demand, underscoring the importance of well-designed pricing structures and accurate demand forecasting.

Residential vs commercial pricing approach

Metro Water will distinguish between residential and commercial users, reflecting differences in usage profiles, service demand, and economic activity. Commercial customers typically:

- Consume significantly higher volumes of water;
- Have more consistent demand profiles;
- May have onsite treatment or pre-treatment obligations (especially for trade waste).

The water organisation will also be able to apply differential charges, where justified, for activities that impose disproportionate costs (e.g., high-strength wastewater discharges).

Potential approaches to charging for each of the three waters

Each of the three water services—drinking water, wastewater, and stormwater—will have its own charging methodology under the regional model. These methodologies will be developed by Metro Water. The direction set out in this plan is designed to ensure full cost recovery, consistency with regulatory requirements, and alignment with service levels and community expectations.

Water service	Potential charging approach

Drinking water	Transitioning over time to volumetric charging, based on metered consumption, with a mix of fixed and variable components. The shift to volumetric pricing will occur as water meters are rolled out across the region. In areas without meters, an interim fixed charge may apply.
Wastewater	Charged via a fixed charge for most residential customers. For non-residential users, a proxy volumetric approach may be adopted over time, where wastewater discharge is assumed to correlate with metered water use. There are no plans to directly meter wastewater.
Stormwater	Likely to be charged based on property characteristics, such as impervious surface area or connection size. The approach to charging for stormwater is acknowledged to be more complex and will require detailed consideration by Metro Water, working with councils and the community.

WCC transition from CV-based rates to uniform and volumetric charging

Wellington City Council currently charges for water services based on capital value (CV), which can result in misaligned incentives and inequitable outcomes, e.g., low-consumption households in high-value homes pay disproportionately more.

Local Water Done Well legislation requires WCC revenue collection to transition to uniform charges or fixed / volumetric tariffs.

The impacts of this are that households with high capital value but low water use are likely to see lower charges, while households with high water use may pay more than they do under CV-based rates

Transitional pricing may be applied for up to five years.

Ringfencing of water services revenue

The requirement for ringfencing water services revenue applies under the Local Government (Water Services) Act to territorial authorities that continue to deliver water services directly. Ringfencing ensures that all revenue collected for the provision of water services is used solely for those services and is kept separate from general council revenue and expenditure.

In the case of the Wellington metro region, the councils proposing this Plan have opted to transfer water services to a joint water organisation. Under this model, Metro Water becomes the direct provider of water services, assuming full responsibility for planning, investment, delivery, and billing.

As a result, the ringfencing provisions do not apply to the councils, because they will no longer be generating revenue through rates to apply to water activities and there will be no assumed dividends paid to the Council shareholders.

Appendix C7: Financial statements

The financial statements presented in this appendix are based on high-level financial modelling undertaken as part of the Metro Water WSDP. They represent indicative forecasts only and are subject to a range of assumptions, uncertainties, and limitations.

These projections:

- Reflect investment profiles, operating assumptions, and financing strategies outlined in the WSDP;
- Are based on information available at the time of preparation and rely on information provided by Councils and Wellington Water Limited, including Long-Term Plans, Annual Plans, asset management plans, and assumptions agreed by the participating councils;
- Do not constitute actual budgets or financial forecasts formally adopted by any council or Metro Water;
- Are expressed in inflated terms and include inflation assumptions as specified in the WSDP model;

These statements should not be relied upon for decision-making outside the context of the WSDP and they have not been subject to external audit.

Actual outcomes may vary materially from these projections due to changes including:

- Scope, timing, or cost of capital and operating programmes;
- Assumptions relating to debt financing, revenue recovery, and efficiency improvements;
- Policy, legislative, or regulatory settings, including economic regulation frameworks.

A summary of risks, uncertainties and assumptions are provided in Appendices C1, C8, and C9 of this Plan.

Metro Water financial statements

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	24,839	27,800	-	-	-	-	-	-	-	-
Targeted rates	308,754	351,828	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	3,943	1,283	1,371	1,407	1,441	1,475	1,509	1,542	1,574	1,608
Local authorities fuel tax, fines, infringement fees and other receipts	3,479	2,749	3,448	3,707	4,010	4,395	4,808	5,270	5,692	6,263
Fees and charges	12,374	16,607	446,861	507,190	575,680	653,583	742,217	842,831	957,486	1,087,900
Total operating funding	**353,389**	**400,267**	**451,680**	**512,304**	**581,131**	**659,453**	**748,534**	**849,643**	**964,752**	**1,095,771**
Applications of operating funding										
Payments to staff and suppliers	198,487	233,774	247,504	267,286	282,819	289,772	302,035	309,530	320,495	331,643
Finance costs	69,281	74,918	93,442	112,576	138,431	168,403	202,479	233,890	264,551	296,826
Internal charges and overheads applied	21,071	22,142	-	-	-	-	-	-	-	-
Other operating funding applications	4	(2)	(1)	(5)	(2)	5	(4)	(2)	-	-
Total applications of operating funding	**288,843**	**330,832**	**340,945**	**379,857**	**421,247**	**458,179**	**504,510**	**543,418**	**585,047**	**628,468**
Surplus/(deficit) of operating funding	**64,546**	**69,435**	**110,735**	**132,447**	**159,884**	**201,274**	**244,023**	**306,225**	**379,706**	**467,303**
Sources of capital funding										
Subsidies and grants for capital expenditure	119,377	182,261	23,115	49,380	37,390	-	-	-	-	-
Development and financial contributions	8,362	11,449	14,545	14,959	19,820	22,351	22,664	22,945	23,881	24,220
Increase/(decrease) in debt	282,350	259,819	291,059	462,223	448,452	522,299	480,269	423,491	400,052	552,809
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	1,809	-	-	-	-	-	-	-	-
Total sources of capital funding	**410,089**	**455,338**	**328,719**	**526,562**	**505,663**	**544,650**	**502,933**	**446,436**	**423,932**	**577,029**
Applications of capital funding										
Capital expenditure - to meet additional demand	118,256	56,004	73,522	115,269	129,670	112,390	84,479	122,665	133,784	253,028
Capital expenditure - to improve levels of services	209,777	276,429	169,034	191,378	191,511	316,250	346,843	298,772	217,577	320,823
Capital expenditure - to replace existing assets	146,602	192,157	196,898	352,362	344,365	317,284	315,635	331,223	452,277	470,481
Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in investments	-	183	-	-	-	-	-	-	-	-
Total applications of capital funding	**474,635**	**524,773**	**439,455**	**659,009**	**665,546**	**745,924**	**746,957**	**752,660**	**803,638**	**1,044,332**
Surplus/(deficit) of capital funding	**(64,546)**	**(69,435)**	**(110,735)**	**(132,447)**	**(159,884)**	**(201,274)**	**(244,023)**	**(306,225)**	**(379,706)**	**(467,303)**
Funding balance	**-**	**-**	**(0)**	**-**	**-**	**-**	**0**	**-**	**-**	**-**

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	353,389	400,267	451,680	512,304	581,131	659,453	748,534	849,643	964,752	1,095,771
Other revenue	127,739	195,519	37,660	64,339	57,210	22,351	22,664	22,945	23,881	24,220
Total revenue	**481,128**	**595,786**	**489,340**	**576,643**	**638,341**	**681,804**	**771,198**	**872,587**	**988,633**	**1,119,991**
Operating expenses	198,491	233,772	247,503	267,281	282,817	289,777	302,031	309,528	320,495	331,643
Finance costs	69,281	74,918	93,442	112,576	138,431	168,403	202,479	233,890	264,551	296,826
Overheads and support costs	21,071	22,142	-	-	-	-	-	-	-	-
Depreciation & amortisation	212,456	228,431	245,575	261,868	281,368	301,065	321,442	341,154	360,714	379,894
Total expenses	**501,299**	**559,263**	**586,520**	**641,725**	**702,615**	**759,244**	**825,952**	**884,572**	**945,761**	**1,008,363**
Net surplus / (deficit)	**(20,171)**	**36,523**	**(97,180)**	**(65,082)**	**(64,274)**	**(77,440)**	**(54,754)**	**(11,985)**	**42,872**	**111,628**
Revaluation of infrastructure assets	358,036	377,826	393,783	401,976	408,928	395,786	372,283	365,230	324,708	335,409
Total comprehensive income	**337,865**	**414,350**	**296,602**	**336,894**	**344,653**	**318,346**	**317,528**	**353,246**	**367,580**	**447,037**
Cash surplus / (deficit) from operations (excl depreciation)	**192,285**	**264,954**	**148,395**	**196,786**	**217,094**	**223,625**	**266,687**	**329,169**	**403,586**	**491,523**

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	192,285	264,954	148,395	196,786	217,094	223,625	266,687	329,169	403,586	491,523
Net cashflows from operating activities	**192,285**	**264,954**	**148,395**	**196,786**	**217,094**	**223,625**	**266,687**	**329,169**	**403,586**	**491,523**
Cashflows from investment activities										
Investments	-	(183)	-	-	-	-	-	-	-	-
Capital expenditure	(474,635)	(524,590)	(439,455)	(659,009)	(665,546)	(745,924)	(746,957)	(752,660)	(803,638)	(1,044,332)
Net cashflows from investment activities	**(474,635)**	**(524,773)**	**(439,455)**	**(659,009)**	**(665,546)**	**(745,924)**	**(746,957)**	**(752,660)**	**(803,638)**	**(1,044,332)**
Cashflows from financing activities										
New borrowings	282,350	259,819	291,059	462,223	448,452	522,299	480,269	423,491	400,052	552,809
Repayment of borrowings	-	-	-	-	-	-	-	-	-	-
Net cashflows from financing activities	**282,350**	**259,819**	**291,059**	**462,223**	**448,452**	**522,299**	**480,269**	**423,491**	**400,052**	**552,809**
Net increase/(decrease) in cash and cash equivalents	**-**	**-**	**(0)**	**-**	**-**	**-**	**0**	**-**	**-**	**-**
Cash and cash equivalents at beginning of year	32,517	32,517	32,517	32,517	32,517	32,517	32,517	32,517	32,517	32,517
Cash and cash equivalents at end of year	**32,517**	**32,517**	**32,517**	**32,517**	**32,517**	**32,517**	**32,517**	**32,517**	**32,517**	**32,517**

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	32,517	32,517	32,517	32,517	32,517	32,517	32,517	32,517	32,517	32,517
Other current assets	-	-	-	-	-	-	-	-	-	-
Infrastructure assets	8,576,571	9,250,557	9,838,219	10,637,336	11,430,442	12,271,087	13,068,884	13,845,621	14,613,253	15,613,099
Other non-current assets	2,464	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647
Total assets	**8,611,552**	**9,285,721**	**9,873,383**	**10,672,500**	**11,465,605**	**12,306,250**	**13,104,048**	**13,880,785**	**14,648,416**	**15,648,263**
Liabilities										
Borrowings - current portion	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings - non-current portion	1,586,129	1,845,948	2,137,007	2,599,231	3,047,683	3,569,982	4,050,251	4,473,742	4,873,794	5,426,603
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	**1,586,129**	**1,845,948**	**2,137,007**	**2,599,231**	**3,047,683**	**3,569,982**	**4,050,251**	**4,473,742**	**4,873,794**	**5,426,603**
Net assets	**7,025,423**	**7,439,773**	**7,736,375**	**8,073,269**	**8,417,922**	**8,736,269**	**9,053,797**	**9,407,043**	**9,774,623**	**10,221,660**
Equity										
Revaluation reserve	358,036	735,862	1,129,645	1,531,621	1,940,549	2,336,335	2,708,618	3,073,848	3,398,556	3,733,965
Other reserves	6,667,387	6,703,910	6,606,730	6,541,648	6,477,374	6,399,934	6,345,179	6,333,195	6,376,067	6,487,695
Total equity	**7,025,423**	**7,439,773**	**7,736,375**	**8,073,269**	**8,417,922**	**8,736,269**	**9,053,797**	**9,407,043**	**9,774,623**	**10,221,660**

Drinking supply financial statements

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	3,064	3,516	-	-	-	-	-	-	-	-
Targeted rates	135,166	154,633	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	2,700	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	3,219	2,485	3,175	3,425	3,721	4,097	4,503	4,956	5,371	5,934
Fees and charges	9,921	14,194	178,656	203,660	234,434	267,668	307,059	358,954	412,295	472,352
Total operating funding	**154,070**	**174,828**	**181,831**	**207,085**	**238,155**	**271,765**	**311,562**	**363,910**	**417,666**	**478,286**
Applications of operating funding										
Payments to staff and suppliers	97,333	113,242	118,072	127,608	135,858	139,904	147,261	151,597	155,887	162,434
Finance costs	33,869	36,275	41,773	51,916	65,920	80,614	94,711	106,293	115,965	123,831
Internal charges and overheads applied	8,020	8,233	-	-	-	-	-	-	-	-
Other operating funding applications	4	(1)	-	(2)	(1)	3	(1)	(2)	(1)	(1)
Total applications of operating funding	**139,226**	**157,749**	**159,845**	**179,521**	**201,777**	**220,522**	**241,971**	**257,889**	**271,852**	**286,264**
Surplus/(deficit) of operating funding	**14,844**	**17,079**	**21,986**	**27,563**	**36,378**	**51,244**	**69,590**	**106,021**	**145,815**	**192,021**
Sources of capital funding										
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	3,252	4,349	5,217	5,265	6,943	7,672	7,475	7,314	7,310	7,491
Increase/(decrease) in debt	158,601	118,164	144,895	257,801	246,103	232,561	164,675	145,582	79,134	121,954
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	**161,853**	**122,513**	**150,112**	**263,066**	**253,046**	**240,233**	**172,150**	**152,896**	**86,444**	**129,445**
Applications of capital funding										
Capital expenditure - to meet additional demand	52,204	17,854	40,168	54,141	54,454	44,344	55,753	96,875	87,061	188,344
Capital expenditure - to improve levels of services	50,708	44,375	55,033	146,846	140,021	148,720	83,760	32,383	16,293	20,327
Capital expenditure - to replace existing assets	73,785	77,180	76,897	89,643	94,950	98,412	102,226	129,658	128,904	112,794
Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in investments	-	183	-	-	-	-	-	-	-	-
Total applications of capital funding	**176,697**	**139,592**	**172,098**	**290,630**	**289,424**	**291,476**	**241,740**	**258,917**	**232,259**	**321,466**
Surplus/(deficit) of capital funding	**(14,844)**	**(17,079)**	**(21,986)**	**(27,563)**	**(36,378)**	**(51,244)**	**(69,590)**	**(106,021)**	**(145,815)**	**(192,021)**
Funding balance	**-**	**-**	**(0)**	**(0)**	**-**	**(0)**	**0**	**-**	**-**	**-**

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	154,070	174,828	181,831	207,085	238,155	271,765	311,562	363,910	417,666	478,286
Other revenue	3,252	4,349	5,217	5,265	6,943	7,672	7,475	7,314	7,310	7,491
Total revenue	**157,322**	**179,177**	**187,048**	**212,350**	**245,098**	**279,437**	**319,037**	**371,224**	**424,977**	**485,777**
Operating expenses	97,337	113,241	118,072	127,606	135,857	139,907	147,260	151,595	155,886	162,433
Finance costs	33,869	36,275	41,773	51,916	65,920	80,614	94,711	106,293	115,965	123,831
Overheads and support costs	8,020	8,233	-	-	-	-	-	-	-	-
Depreciation & amortisation	72,897	78,565	83,907	89,771	97,330	104,944	112,472	119,104	125,881	131,923
Total expenses	**212,123**	**236,314**	**243,752**	**269,292**	**299,107**	**325,465**	**354,443**	**376,992**	**397,732**	**418,187**
Net surplus / (deficit)	**(54,801)**	**(57,137)**	**(56,704)**	**(56,942)**	**(54,009)**	**(46,028)**	**(35,406)**	**(5,769)**	**27,245**	**67,590**
Revaluation of infrastructure assets	108,874	115,921	118,520	122,207	127,388	125,800	119,701	117,242	104,427	107,069
Total comprehensive income	**54,073**	**58,784**	**61,816**	**65,265**	**73,379**	**79,772**	**84,295**	**111,473**	**131,671**	**174,659**
Cash surplus / (deficit) from operations (excl depreciation)	**18,096**	**21,428**	**27,203**	**32,828**	**43,321**	**58,915**	**77,066**	**113,335**	**153,125**	**199,513**

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	18,096	21,428	27,203	32,828	43,321	58,915	77,066	113,335	153,125	199,513
Net cashflows from operating activities	**18,096**	**21,428**	**27,203**	**32,828**	**43,321**	**58,915**	**77,066**	**113,335**	**153,125**	**199,513**
Cashflows from investment activities										
Investments	-	(183)	-	-	-	-	-	-	-	-
Capital expenditure	(176,697)	(139,409)	(172,098)	(290,630)	(289,424)	(291,476)	(241,740)	(258,917)	(232,259)	(321,466)
Net cashflows from investment activities	**(176,697)**	**(139,592)**	**(172,098)**	**(290,630)**	**(289,424)**	**(291,476)**	**(241,740)**	**(258,917)**	**(232,259)**	**(321,466)**
Cashflows from financing activities										
New borrowings	158,601	118,164	144,895	257,801	246,103	232,561	164,675	145,582	79,134	121,954
Repayment of borrowings	-	-	-	-	-	-	-	-	-	-
Net cashflows from financing activities	**158,601**	**118,164**	**144,895**	**257,801**	**246,103**	**232,561**	**164,675**	**145,582**	**79,134**	**121,954**
Net increase/(decrease) in cash and cash equivalents	**-**	**-**	**(0)**	**-**	**-**	**-**	**0**	**-**	**-**	**-**
Cash and cash equivalents at beginning of year	19,292	19,292	19,292	19,292	19,292	19,292	19,292	19,292	19,292	19,292
Cash and cash equivalents at end of year	**19,292**	**19,292**	**19,292**	**19,292**	**19,292**	**19,292**	**19,292**	**19,292**	**19,292**	**19,292**

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	19,292	19,292	19,292	19,292	19,292	19,292	19,292	19,292	19,292	19,292
Other current assets	-	-	-	-	-	-	-	-	-	-
Infrastructure assets	2,632,095	2,808,860	3,015,571	3,338,637	3,658,119	3,970,452	4,219,422	4,476,478	4,687,282	4,983,895
Other non-current assets	2,464	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647
Total assets	**2,653,851**	**2,830,799**	**3,037,510**	**3,360,576**	**3,680,058**	**3,992,391**	**4,241,361**	**4,498,417**	**4,709,221**	**5,005,833**
Liabilities										
Borrowings - current portion	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings - non-current portion	704,421	822,585	967,480	1,225,281	1,471,384	1,703,945	1,868,620	2,014,202	2,093,336	2,215,289
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	**704,421**	**822,585**	**967,480**	**1,225,281**	**1,471,384**	**1,703,945**	**1,868,620**	**2,014,202**	**2,093,336**	**2,215,289**
Net assets	**1,949,429**	**2,008,214**	**2,070,029**	**2,135,294**	**2,208,674**	**2,288,446**	**2,372,741**	**2,484,214**	**2,615,886**	**2,790,544**
Equity										
Revaluation reserve	108,874	224,795	343,315	465,522	592,911	718,711	838,412	955,654	1,060,081	1,167,150
Other reserves	1,840,555	1,783,418	1,726,714	1,669,772	1,615,763	1,569,735	1,534,329	1,528,560	1,555,805	1,623,394
Total equity	**1,949,429**	**2,008,214**	**2,070,029**	**2,135,294**	**2,208,674**	**2,288,446**	**2,372,741**	**2,484,214**	**2,615,886**	**2,790,544**

Wastewater financial statements

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	3,032	3,399	-	-	-	-	-	-	-	-
Targeted rates	137,168	148,369	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	789	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	133	135	140	145	148	153	157	162	166	170
Fees and charges	2,436	2,396	193,732	220,257	247,481	282,617	322,038	363,324	408,424	461,979
Total operating funding	**142,769**	**155,088**	**193,872**	**220,402**	**247,629**	**282,770**	**322,195**	**363,486**	**408,590**	**462,149**
Applications of operating funding										
Payments to staff and suppliers	74,681	84,696	96,401	103,765	108,874	110,247	113,006	114,783	119,810	122,771
Finance costs	24,836	28,363	47,689	56,462	66,985	79,142	93,541	105,156	116,940	132,448
Internal charges and overheads applied	10,970	11,561	-	-	-	-	-	-	-	-
Other operating funding applications	(1)	(3)	1	(1)	-	2	1	-	-	-
Total applications of operating funding	**110,486**	**124,617**	**144,091**	**160,226**	**175,859**	**189,391**	**206,548**	**219,940**	**236,750**	**255,219**
Surplus/(deficit) of operating funding	**32,283**	**30,471**	**49,781**	**60,176**	**71,770**	**93,379**	**115,647**	**143,546**	**171,840**	**206,930**
Sources of capital funding										
Subsidies and grants for capital expenditure	116,893	177,502	16,725	-	-	-	-	-	-	-
Development and financial contributions	4,492	6,134	7,966	8,212	11,156	12,607	13,122	13,592	14,571	14,736
Increase/(decrease) in debt	125,977	144,449	152,438	190,833	167,383	211,038	199,848	112,941	187,108	276,880
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	**247,362**	**328,085**	**177,129**	**199,045**	**178,539**	**223,645**	**212,970**	**126,533**	**201,680**	**291,616**
Applications of capital funding										
Capital expenditure - to meet additional demand	63,373	29,975	17,928	22,552	24,751	44,798	16,613	17,378	41,880	66,000
Capital expenditure - to improve levels of services	149,934	221,724	101,614	28,884	25,243	103,090	149,711	107,923	65,822	133,257
Capital expenditure - to replace existing assets	66,338	106,857	107,368	207,786	200,315	169,137	162,292	144,778	265,817	299,289
Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**279,645**	**358,556**	**226,910**	**259,222**	**250,309**	**317,024**	**328,617**	**270,079**	**373,520**	**498,546**
Surplus/(deficit) of capital funding	**(32,283)**	**(30,471)**	**(49,781)**	**(60,176)**	**(71,770)**	**(93,379)**	**(115,647)**	**(143,546)**	**(171,840)**	**(206,930)**
Funding balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	142,769	155,088	193,872	220,402	247,629	282,770	322,195	363,486	408,590	462,149
Other revenue	121,385	183,636	24,691	8,212	11,156	12,607	13,122	13,592	14,571	14,736
Total revenue	**264,154**	**338,724**	**218,563**	**228,614**	**258,785**	**295,377**	**335,317**	**377,078**	**423,162**	**476,884**
Operating expenses	74,680	84,693	96,402	103,764	108,874	110,249	113,007	114,783	119,810	122,771
Finance costs	24,836	28,363	47,689	56,462	66,985	79,142	93,541	105,156	116,940	132,448
Overheads and support costs	10,970	11,561	-	-	-	-	-	-	-	-
Depreciation & amortisation	85,450	93,074	102,016	109,384	117,312	125,157	133,722	142,164	149,726	158,227
Total expenses	**195,936**	**217,691**	**246,107**	**269,610**	**293,171**	**314,548**	**340,270**	**362,104**	**386,476**	**413,446**
Net surplus / (deficit)	**68,218**	**121,033**	**(27,545)**	**(40,995)**	**(34,386)**	**(19,171)**	**(4,953)**	**14,975**	**36,685**	**63,438**
Revaluation of infrastructure assets	119,685	131,055	145,661	150,825	153,423	148,028	139,926	138,165	122,132	127,384
Total comprehensive income	**187,903**	**252,088**	**118,117**	**109,829**	**119,037**	**128,857**	**134,972**	**153,140**	**158,817**	**190,822**
Cash surplus / (deficit) from operations (excl depreciation)	**153,668**	**214,107**	**74,472**	**68,388**	**82,926**	**105,987**	**128,769**	**157,138**	**186,411**	**221,666**

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	153,668	214,107	74,472	68,388	82,926	105,987	128,769	157,138	186,411	221,666
Net cashflows from operating activities	**153,668**	**214,107**	**74,472**	**68,388**	**82,926**	**105,987**	**128,769**	**157,138**	**186,411**	**221,666**
Cashflows from investment activities										
Investments	-	-	-	-	-	-	-	-	-	-
Capital expenditure	(279,645)	(358,556)	(226,910)	(259,222)	(250,309)	(317,024)	(328,617)	(270,079)	(373,520)	(498,546)
Net cashflows from investment activities	**(279,645)**	**(358,556)**	**(226,910)**	**(259,222)**	**(250,309)**	**(317,024)**	**(328,617)**	**(270,079)**	**(373,520)**	**(498,546)**
Cashflows from financing activities										
New borrowings	125,977	144,449	152,438	190,833	167,383	211,038	199,848	112,941	187,108	276,880
Repayment of borrowings	-	-	-	-	-	-	-	-	-	-
Net cashflows from financing activities	**125,977**	**144,449**	**152,438**	**190,833**	**167,383**	**211,038**	**199,848**	**112,941**	**187,108**	**276,880**
Net increase/(decrease) in cash and cash equivalents	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents at beginning of year	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246
Cash and cash equivalents at end of year	**2,246**	**2,246**	**2,246**	**2,246**	**2,246**	**2,246**	**2,246**	**2,246**	**2,246**	**2,246**

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246
Other current assets	-	-	-	-	-	-	-	-	-	-
Infrastructure assets	2,973,547	3,370,083	3,640,638	3,941,301	4,227,721	4,567,616	4,902,436	5,168,517	5,514,442	5,982,145
Other non-current assets	-	-	-	-	-	-	-	-	-	-
Total assets	**2,975,793**	**3,372,329**	**3,642,884**	**3,943,547**	**4,229,967**	**4,569,862**	**4,904,682**	**5,170,763**	**5,516,688**	**5,984,391**
Liabilities										
Borrowings - current portion	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings - non-current portion	781,347	925,796	1,078,234	1,269,067	1,436,450	1,647,488	1,847,336	1,960,276	2,147,385	2,424,265
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	**781,347**	**925,796**	**1,078,234**	**1,269,067**	**1,436,450**	**1,647,488**	**1,847,336**	**1,960,276**	**2,147,385**	**2,424,265**
Net assets	**2,194,446**	**2,446,534**	**2,564,650**	**2,674,480**	**2,793,517**	**2,922,374**	**3,057,346**	**3,210,486**	**3,369,303**	**3,560,126**
Equity										
Revaluation reserve	119,685	250,740	396,401	547,225	700,649	848,676	988,602	1,126,767	1,248,900	1,376,284
Other reserves	2,074,761	2,195,794	2,168,250	2,127,254	2,092,868	2,073,697	2,068,744	2,083,719	2,120,404	2,183,842
Total equity	**2,194,446**	**2,446,534**	**2,564,650**	**2,674,480**	**2,793,517**	**2,922,374**	**3,057,346**	**3,210,486**	**3,369,303**	**3,560,126**

Stormwater financial statements

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	18,743	20,885	-	-	-	-	-	-	-	-
Targeted rates	36,420	48,826	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	1,243	494	1,371	1,407	1,441	1,475	1,509	1,542	1,574	1,608
Local authorities fuel tax, fines, infringement fees and other receipts	127	129	133	137	141	145	148	152	155	159
Fees and charges	17	17	74,474	83,273	93,765	103,298	113,120	120,553	136,767	153,570
Total operating funding	**56,550**	**70,351**	**75,978**	**84,817**	**95,347**	**104,918**	**114,777**	**122,247**	**138,496**	**155,337**
Applications of operating funding										
Payments to staff and suppliers	26,473	35,836	33,031	35,914	38,088	39,620	41,767	43,149	44,798	46,438
Finance costs	10,576	10,280	3,981	4,199	5,525	8,646	14,228	22,441	31,646	40,547
Internal charges and overheads applied	2,081	2,348	-	-	-	-	-	-	-	-
Other operating funding applications	1	2	(2)	(2)	(1)	-	(4)	-	1	1
Total applications of operating funding	**39,131**	**48,466**	**37,010**	**40,110**	**43,611**	**48,267**	**55,991**	**65,590**	**76,445**	**86,986**
Surplus/(deficit) of operating funding	**17,419**	**21,885**	**38,968**	**44,707**	**51,735**	**56,651**	**58,786**	**56,657**	**62,051**	**68,351**
Sources of capital funding										
Subsidies and grants for capital expenditure	2,484	4,759	6,390	49,380	37,390	-	-	-	-	-
Development and financial contributions	618	966	1,362	1,482	1,721	2,072	2,067	2,038	1,999	1,993
Increase/(decrease) in debt	(2,228)	(2,794)	(6,273)	13,589	34,967	78,700	115,747	164,968	133,810	153,975
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	1,809	-	-	-	-	-	-	-	-
Total sources of capital funding	**874**	**4,740**	**1,479**	**64,451**	**74,078**	**80,772**	**117,814**	**167,006**	**135,809**	**155,968**
Applications of capital funding										
Capital expenditure - to meet additional demand	2,679	8,175	15,426	38,576	50,465	23,248	12,112	8,412	4,842	(1,316)
Capital expenditure - to improve levels of services	9,135	10,330	12,388	15,648	26,247	64,440	113,372	158,466	135,462	167,238
Capital expenditure - to replace existing assets	6,479	8,120	12,633	54,934	49,101	49,735	51,116	56,786	57,556	58,397
Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**18,293**	**26,625**	**40,447**	**109,157**	**125,813**	**137,423**	**176,600**	**223,664**	**197,859**	**224,320**
Surplus/(deficit) of capital funding	**(17,419)**	**(21,885)**	**(38,968)**	**(44,707)**	**(51,735)**	**(56,651)**	**(58,786)**	**(56,657)**	**(62,051)**	**(68,351)**
Funding balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	56,550	70,351	75,978	84,817	95,347	104,918	114,777	122,247	138,496	155,337
Other revenue	3,102	7,534	7,752	50,862	39,111	2,072	2,067	2,038	1,999	1,993
Total revenue	**59,652**	**77,885**	**83,730**	**135,679**	**134,458**	**106,990**	**116,844**	**124,285**	**140,495**	**157,330**
Operating expenses	26,474	35,838	33,029	35,912	38,087	39,620	41,763	43,149	44,799	46,439
Finance costs	10,576	10,280	3,981	4,199	5,525	8,646	14,228	22,441	31,646	40,547
Overheads and support costs	2,081	2,348	-	-	-	-	-	-	-	-
Depreciation & amortisation	54,110	56,792	59,652	62,713	66,726	70,964	75,248	79,886	85,107	89,744
Total expenses	**93,241**	**105,258**	**96,661**	**102,824**	**110,337**	**119,231**	**131,239**	**145,476**	**161,552**	**176,730**
Net surplus / (deficit)	**(33,589)**	**(27,373)**	**(12,932)**	**32,856**	**24,121**	**(12,241)**	**(14,395)**	**(21,190)**	**(21,058)**	**(19,400)**
Revaluation of infrastructure assets	129,477	130,851	129,602	128,944	128,116	121,958	112,656	109,823	98,149	100,956
Total comprehensive income	**95,888**	**103,478**	**116,670**	**161,799**	**152,237**	**109,717**	**98,261**	**88,632**	**77,092**	**81,556**
Cash surplus / (deficit) from operations (excl depreciation)	**20,521**	**29,419**	**46,720**	**95,569**	**90,847**	**58,723**	**60,853**	**58,696**	**64,050**	**70,345**

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	20,521	29,419	46,720	95,569	90,847	58,723	60,853	58,696	64,050	70,345
Net cashflows from operating activities	**20,521**	**29,419**	**46,720**	**95,569**	**90,847**	**58,723**	**60,853**	**58,696**	**64,050**	**70,345**
Cashflows from investment activities										
Investments	-	-	-	-	-	-	-	-	-	-
Capital expenditure	(18,293)	(26,625)	(40,447)	(109,157)	(125,813)	(137,423)	(176,600)	(223,664)	(197,859)	(224,320)
Net cashflows from investment activities	**(18,293)**	**(26,625)**	**(40,447)**	**(109,157)**	**(125,813)**	**(137,423)**	**(176,600)**	**(223,664)**	**(197,859)**	**(224,320)**
Cashflows from financing activities										
New borrowings	(2,228)	(2,794)	(6,273)	13,589	34,967	78,700	115,747	164,968	133,810	153,975
Repayment of borrowings	-	-	-	-	-	-	-	-	-	-
Net cashflows from financing activities	**(2,228)**	**(2,794)**	**(6,273)**	**13,589**	**34,967**	**78,700**	**115,747**	**164,968**	**133,810**	**153,975**
Net increase/(decrease) in cash and cash equivalents	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents at beginning of year	10,979	10,979	10,979	10,979	10,979	10,979	10,979	10,979	10,979	10,979
Cash and cash equivalents at end of year	**10,979**	**10,979**	**10,979**	**10,979**	**10,979**	**10,979**	**10,979**	**10,979**	**10,979**	**10,979**

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	10,979	10,979	10,979	10,979	10,979	10,979	10,979	10,979	10,979	10,979
Other current assets	-	-	-	-	-	-	-	-	-	-
Infrastructure assets	2,970,930	3,071,613	3,182,010	3,357,398	3,544,602	3,733,019	3,947,026	4,200,627	4,411,528	4,647,060
Other non-current assets	-	-	-	-	-	-	-	-	-	-
Total assets	**2,981,909**	**3,082,592**	**3,192,989**	**3,368,377**	**3,555,581**	**3,743,998**	**3,958,005**	**4,211,606**	**4,422,507**	**4,658,039**
Liabilities										
Borrowings - current portion	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings - non-current portion	100,361	97,567	91,293	104,882	139,849	218,549	334,296	499,264	633,073	787,049
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	**100,361**	**97,567**	**91,293**	**104,882**	**139,849**	**218,549**	**334,296**	**499,264**	**633,073**	**787,049**
Net assets	**2,881,548**	**2,985,026**	**3,101,696**	**3,263,495**	**3,415,732**	**3,525,449**	**3,623,710**	**3,712,342**	**3,789,434**	**3,870,990**
Equity										
Revaluation reserve	129,477	260,328	389,929	518,873	646,989	768,947	881,603	991,426	1,089,575	1,190,531
Other reserves	2,752,071	2,724,698	2,711,766	2,744,622	2,768,743	2,756,502	2,742,107	2,720,916	2,699,858	2,680,459
Total equity	**2,881,548**	**2,985,026**	**3,101,696**	**3,263,495**	**3,415,732**	**3,525,449**	**3,623,710**	**3,712,342**	**3,789,434**	**3,870,990**

Appendix C8: Approach to financial modelling and assumptions

The modelling presented builds on earlier regional financial modelling commissioned by DIA, beginning with the "Wellington Regional Model" and incorporating refinements through the Metro Water programme.

This model is designed for strategic decision support to assess financial sustainability rather than as an operating forecast. All figures are in inflated dollars, unless stated otherwise. Outcomes are sensitive to future market conditions, council decisions, regulatory inputs, and delivery risk.

Modelling structure and key inputs

1. **Long-term plan forecasts**: Baseline funding impact statements (FIS) for water supply, wastewater, and stormwater are drawn from the 2024–34 LTPs, with adjustments for 2025/26 Annual Plans.
2. **Consolidation adjustments**: Joint venture allocations and removal of Greater Wellington (GW) bulk revenue to avoid double counting at regional level.
3. **Increased investment**: Capex and consequential opex adjustments to reflect the preferred investment scenario.
4. **WO-specific assumptions**: Additional operating costs, efficiencies, establishment costs, and opening debt applied from 1 July 2026.
5. **Revenue solve**: Revenue (including water charges) is set to meet a 9% funds from operations (FFO) to debt ratio by FY34. Revenue increased are modelled to smooth evenly over the period of the plan.

Assumptions

Specific adjustments to LTP projections have been made to reflect the assumptions set out below for the scenarios modelled.

- **Start date:** 1 July 2026.
- **Establishment costs:** Additional costs for increased systems and IT capability as per the below table (added over FY27-28).

  These are based on estimated costs for:

  - $15m FY25/26 establishment costs including resourcing, set up, new Board / CE / ELT, temporary accommodation, legal, transfer arrangements, and financing. This is being debt funded by councils and will be passed to Metro Water.
  - $13.8m FY25/26 for Wellington Water TSI programme funded via GW and passed to Metro Water on Day 1. This includes assumption of asset management, CRM and Finance systems. This is being debt funded by councils and will be passed to Metro Water.

    - $40.5m FY26/27 to complete full IT systems, data transfer requirements for Metro Water (based on mid-point of estimate, BlueBeacon, July 2025).
    - $5m FY26/27 estimate for residual establishment costs / legal / transfers across councils and Metro Water.
- **Opening debt:** As per methodology outlined in Appendix C3.
- **Capital revenues:** Development contributions (DCs) and capital subsidies are as per the LTP for existing LTP growth capital expenditure with a modelled DC policy applied for additional capital expenditure detailed in Appendix C10.
- **Capital expenditure:** Outlined in part C of WSDP.
- **Consequential operating costs:** Additional operating expenditure resulting from additional capital expenditure (at a rate of 4% for growth and level of service related investment greater than $20M, excluding pipes. A rate of 1% for the Pākuratahi Lakes.)
- **Additional operating costs:** Allowances for additional costs over LTP assumptions for Board and management, Taumata Arowai and Commerce Commission fees, audit costs, and additional maintenance costs.
- **Efficiencies:** Operating efficiencies (2.25% p.a.) and capital efficiencies (1.55% p.a.) are staged (3-year ramp from FY27) and stop accumulating after 15 years. 15% step change in capital expenditure efficiency from FY29.
- **Median household income:** Stats NZ 2023 census data for each council area, forecast growth rate based on 20-year historical average relative to inflation (1.55% p.a. above inflation).
- **Connection annual growth numbers:** As provided by each Council as follows: HCC 0.9%, PCC 1.0%, UHCC 1.5%, WCC 0.6%.
- **Interest rate:** Interest rate assumptions are based on advice from PwC Treasury Advisory using current market data at 30 June 2025. In line with current LGFA guidance, interest rate pricing is based on a weighted average of the shareholding councils' credit ratings with a margin of 5 basis points per annum above the margin for a council with an equivalent credit rating. Interest rates on existing debt at 30 June 2026 are calculated based on a fixed rate basis, with maturities ranging from 1 to 10 years. All new debt growth beyond the initial debt refinancing is assumed to be funded on a floating rate basis. Estimated weighted average borrowing rate over the forecast period is 5.56% p.a.
- **Capital expenditure inflation:** Council long term plan capital expenditure remains inflated based on Councils' individual long term plan inflation assumptions. BERL 2024 water infrastructure inflation index is applied to additional forecast capital expenditure over LTP base levels.
- **WCC Sludge Minimisation Facility:** This project, due to be completed in FY27, is included in WCC's LTP through capital grants from the Infrastructure Funding and Financing (IFF) Special Purpose Vehicle (SPV) that was established to finance the facility. The project is therefore included in the capital programme and is treated consistently with other infrastructure assets for depreciation and consequential operational costs. However, finance-related costs (including interest and debt repayment) are not borne by Metro Water. These remain with the SPV and are recovered via a separate IFF levy charged directly to WCC ratepayers. This debt will not transfer to

Metro Water and will not be reflected in Metro Water's balance sheet or revenue requirement.

- **Vested assets:** delivered and funded by developers and Kāinga Ora are included in the financial model based on inputs and assumptions provided by each Council. These assets are recognised as non-cash contributions to the capital programme and are treated as additions to the asset base for depreciation, consequential operating costs, and renewal planning purposes. No financing or implications are assumed for these assets within the model.
- **Depreciation** is based on each Council's LTP forecasts for existing assets and planned capital investment. For capital expenditure above LTP levels, depreciation is calculated using a straight-line method over an estimated average asset life of 74 years, reflecting the typical lifespan of water infrastructure.

Appendix C9: Financial sustainability risks and mitigations

Delivering the Water Services Delivery Plan and achieving financial sustainability for the Water Services Council-Controlled Organisation (WSCCO) will require active management of several key risks. These risks arise from both internal factors (e.g., organisational establishment) and external conditions (e.g., market capacity, economic regulation).

The key risks identified through regional assessments are summarised below, along with proposed mitigation strategies.

Risk and description	Mitigations
Investment delivery risk: The scale of capital investment required may exceed the short-term delivery capacity of the construction market, leading to under-delivery, cost escalation, or delays.	-Align programme phasing to be under to 20–22% annual market capacity growth guidance. - Early market engagement and visibility of the 10-year pipeline. - Scalable delivery models (eg. panel contracting, alliances). - Capable client-side delivery team and project management systems. - Scenario modelling including of lower end investment scenario
Capital cost escalation risk: Capital and infrastructure costs may escalate significantly beyond current projections. This could compromise long-term affordability for consumers and increase pressure on revenue and financing strategies.	- Regularly update capital forecasts based on market based data. - Prioritise investment based on criticality and service risk - Engage early with economic regulator to optimise price/quality path
Revenue sufficiency and affordability risk: Significant increases in customer charges are required to achieve full cost recovery, posing affordability challenges and potential customer resistance.	- Phased transition to cost-reflective pricing. - Targeted affordability and hardship support policies and flexible payment arrangements. - Transparent communications on drivers of price increases. - Application of differential commercial-residential charging where appropriate. - Early engagement with the Commerce Commission to develop a price / quality pathway.
Financing and liquidity risk: Substantial debt loads in the early decades may pressure borrowing covenants and liquidity, limiting financial flexibility.	- Target 9% FFO-to-debt ratio by FY2034. - Prudent treasury and liquidity management practices. - Staged revenue growth aligned to debt servicing requirements. - Maintenance of cash buffers for resilience.
Economic regulation risk: Introduction of price-quality regulation may constrain	- Alignment of financial strategy with Building Block Model and cost-efficiency expectations. - Robust investment planning and regulatory submissions.

flexibility over revenue recovery or timing of capital programmes.	- Early engagement with the Commerce Commission on transitional expectations.
Growth and demand risk: Investment in growth areas may precede actual demand materialisation, creating under-recovery risks.	- Staged growth investment triggered by demand monitoring. - Strengthened development contribution (DC) policies. - Flexible capital programme able to adjust to growth variations. - Co-ordination with council district plans and regional planning
Asset information and data quality risk: Incomplete or inconsistent asset condition information increases the risk of mis-prioritisation or unplanned failures.	- Accelerated development of a unified asset management system. - Implementation of risk-based prioritisation frameworks. - Ongoing investment in asset condition assessments.
Unanticipated event risk: costs from an unanticipated event exceed insurance and debt headroom.	- Capital investment can be reprioritised or deferred - Fallback support available via uncalled capital or guarantees from councils.
Revenue shortfall from volumetric charging risk: Customer behaviour change under volumetric charging may result in lower-than-expected water use, leading to under-recovery of revenue.	- Design pricing structures to balance equity and revenue sufficiency - Initially use higher proportion fixed charges or tiered tariffs - Incorporate demand elasticity into financial forecasting.
Insurance Cover risk: There is a risk that the insurance market cannot provide sufficient capacity to meet the combined insurance requirements of Metro Water.	- Early with Insurance Brokers - Layer and Diversify Coverage

Appendix C10: Development contributions

Development Contributions (DCs) are a statutory funding mechanism under the Local Government Act 2002 (LGA) that allows territorial authorities to recover the growth-attributable portion of capital costs associated with infrastructure required to service new development. Under the proposed regional delivery model, the administration of DCs may remain with individual councils in the short term, or may transition to Metro Water through future harmonisation or delegation arrangements.

Councils have historically applied DCs to varying extents in their long-term plans, and estimated development contribution receipts for capital expenditure included in long term plans have not been revised (with the exceptions of GWRC and UHCC explained in detail below). There are a number of key considerations and constraints in relation to development contributions:

- **Policy and legal constraints:** Under the LGA, only the portion of a project attributable to growth can be recovered through DCs. Mixed-benefit projects must allocate costs proportionally between existing users and new development, requiring robust methodology and justification. However, categorisation of capital expenditure against the LGA categories is based on the primary driver of expenditure. This means there is an inherent misalignment between the "capital expenditure to meet increased demand" projection, and the "growth share" of costs that are recovered through development contributions.
- **Market feasibility and affordability:** Sudden increases in DC charges may affect development viability, particularly in brownfield intensification areas or for affordable housing.
- **Timing and cashflow risks:** Infrastructure is often built ahead of growth, creating a risk that DCs will under-recover if projected development is delayed or does not eventuate. There is also a delay between the date at which development contributions are assessed and the date under which they are payable, which can extend for a number of years in some cases. This means changes to development contributions policies will take some time to have an effect on cashflow.
- **Policy uncertainty:** The Government's announced reforms (including a possible shift to nationally defined "Development Levies") introduce ambiguity about how DC policies may evolve during the implementation of the WSDP.
- **Long term recovery requirements:** The LGA requires that development contributions are calculated and collected by reference to the "capacity life" of infrastructure. In most cases this capacity life will extend beyond a 10-year planning period, typically extending to 30 years. This period of collection is reflected in each Council's development contributions policy, and impacts the timing of policy changes.

Despite these constraints, DCs remain a significant source of growth-related funding and can reduce reliance on borrowing requirements.

Current development contribution (DC) policies

The four metro councils in the Wellington Region each apply DCs differently:

Council	Current status (2024–34 LTP)
Upper Hutt City Council	Current Development contributions policy does provide for DCs on three waters assets, but these are not included financial projections included within the LTP
Wellington City Council	New 2024 policy targets ~50% recovery on applicable growth capex. Planned recovery reflects lumpiness of capital programme and 30-year recovery timeframes.
Porirua City Council	Updating catchments; greenfield charges increasing by ~50% growth in Eastern Porirua was to be significantly funded through IAF funding and Kainga Ora development, and significant use of development agreements. Revenue only recognised on project completion but development contribution policy has a 30-year capital works outlook.
Hutt City Council	Updating policy to increase recovery, especially for growth zones. Latest policy reflects increased recovery targets, however growing resistance from developers.

Modelled development contribution policies

For financial modelling purposes, the WSDP applies the DC assumptions embedded in each council's 2024–34 Long Term Plan (LTP) to the corresponding capital investment forecasts and a modelled approach has been used for additional investment over and above the LTP capital programme:

- The revised capital programme has been reviewed by Wellington Water's asset management group and the regional team. Through this process, all projects with a growth component have been identified, and the growth share (the proportion of costs that can justifiably be recovered from the growth community) has been identified.
- A 30-year capacity life has been assumed for all projects consistent with industry practice.
- Projects have been grouped by council, and expected capital costs and timing of cashflows have been modelled over the 10-year WSDP and LTP period.
- Annual connection growth, consistent with the growth assumed in the underlying financial modelling, has been modelled per council.
- A rolling DC account balance has been calculated based on anticipated annual receipts and capital expenditure outflows at a whole of council level for each council. This includes interest on debt balances.
- Development contributions have been calculated to ensure that the debt balance is equal to zero at the end of the capacity life.
- Annual development contribution revenue has been assessed based on the annual connection growth multiplied by the per connection charge.
- We have assumed that infrastructure that would have otherwise been constructed by GWRC (which is otherwise legislatively prevented from setting development

contributions), would be able to be funded from development contributions within the new entity.

- No detailed breakdown of development contribution receipts for water, wastewater, and stormwater, is included within UHCC's long term plan. For modelling purposes we have assumed that 10% of the annual growth cost in the existing long-term plan would be recovered through development contributions.

The financial model allows 75% of forecast DC revenue to be included in net debt calculations under LGFA financial covenants. This is consistent with Local Government Funding Agency (LGFA) provided guidance in April 2025 for councils with more than 50,000 connections.

Policy uncertainty and potential for uplift

The Government has signalled an intention to replace development contributions with Development Levies (DLs) — a new funding tool that may be available to both territorial authorities and water entities. While legislation has not yet been introduced, DLs could offer greater flexibility or broader application than current DCs, particularly for regionally delivered infrastructure. Depending on the final design, this could create a material opportunity to increase growth-related revenue recovery, reducing pressure on customer charges and supporting a stronger alignment with the "growth pays for growth" principle. The potential impact of increased growth revenue is tested in *Appendix C11: Sensitivity scenarios*, which includes a 'lower end scenario' which reflects opportunity for a greater share of growth-related capital expenditure to be recovered from developers.

Appendix C11: Sensitivity scenarios

Impact on household affordability

This appendix presents a series of sensitivity tests designed to assess how key financial inputs influence household affordability under the proposed regional water services model. These tests explore the extent to which the model's outcomes are resilient to changes in efficiency performance, investment requirements, growth-related revenue, and borrowing assumptions.

The scenarios have been selected to reflect the most material levers available to the water organisation and councils in shaping pricing outcomes over time. Each variable was flexed independently to isolate its impact on affordability (with exception of the combined scenario as outlined below). While real-world conditions may involve combinations of these changes, the purpose of this analysis is to understand the directional significance of each input.

The seven key variables tested are:

1. Efficiency assumptions

Efficiency gains—both operational and capital—are important to improving long-term affordability. The base model assumes annual efficiency uplifts of 2.25% (opex) and 1.55% (capex) from FY27, with an additional step-change of 15% from FY29. Scenarios test the effect of higher and lower sustained efficiencies and the removal of the step-change.

2. Capital Investment Programme (Capex Levels)

Capital investment is a primary driver of water service charges over time. Scenarios test the impact of adjusting total investment by ±20% relative to the modelled Plan, to reflect either delivery constraints or higher-than-expected investment requirements.

3. Development Contributions (DCs)

DCs help recover growth-related infrastructure costs and reduce the burden on household bills over time. Scenarios examine the impact of doubling or halving DC revenue from FY28 to reflect policy decisions or changes in development activity.

4. Borrowing parameters and LGFA leverage buffers

Borrowing capacity and the financial headroom maintained relative to LGFA covenants materially influence pricing and risk. Scenarios test the affordability impact of applying a higher (10%) or lower (8%) headroom buffer to the Funds from Operations (FFO) to debt ratio used in the model.

5. Population and connection growth

Population growth determines both the demand for infrastructure and the number of connections over which costs can be spread. Scenarios assess the impact on affordability if growth is either significantly higher (double) or lower (half) than forecast:

6. Interest rate movements

Given the scale of planned borrowing, interest costs are a major driver of Metro Water's long-term financial profile. While the model assumes a stable average borrowing rate, actual rates are subject to market volatility and refinancing risk. Scenarios assess the impact on affordability if interest rates are either significantly higher (+1.5%) or lower (-1.5%) than forecast.

7. Earlier FFO-debt compliance

LGFA's guidance allows up to five years from establishment for water entities to reach covenant compliance, with any longer glide path requiring approval by the LGFA Board. For Metro Water, this five-year window would conclude in FY31. In-principle support is being sought from LGFA for a seven-year transition, allowing Metro Water to achieve the 8% compliance target by FY33. This scenario tests the price increases required if compliance is required by FY31.

Additionally, the WSDP has identified both investment deliverability and growth cost recovery as key variables. This scenario tests the combined impact of two credible shifts — one risk-based, one opportunity-based — to explore the layered effects of these potential shifts.

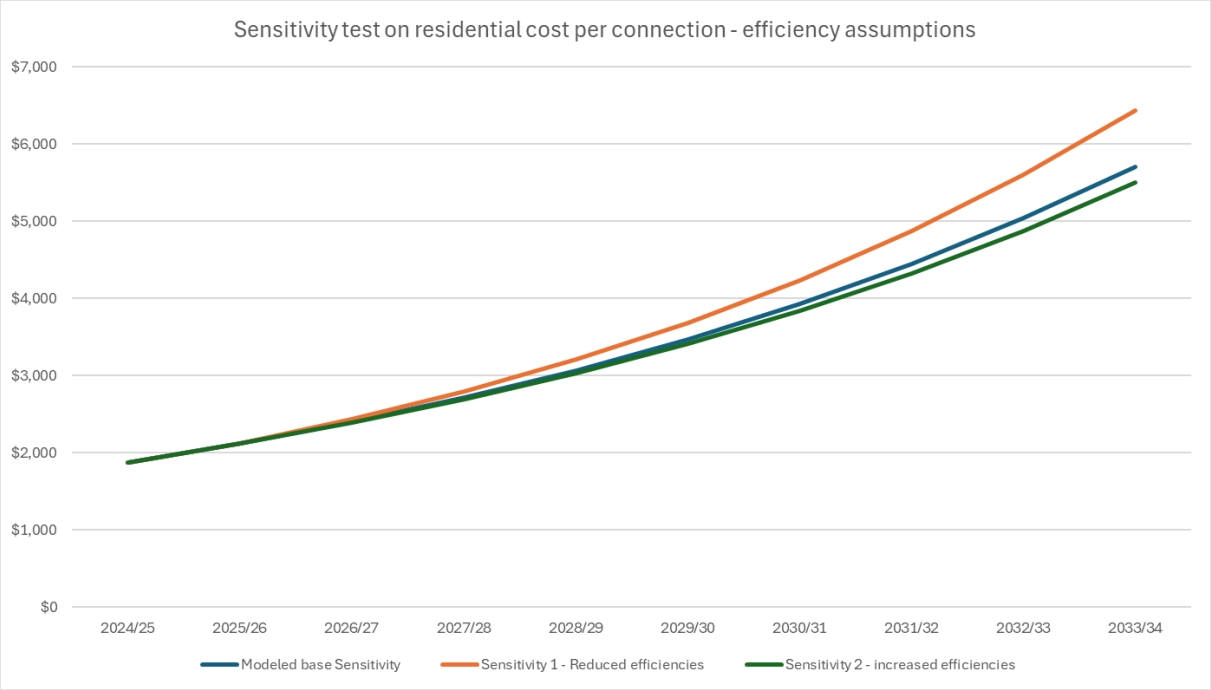
For each scenario, the resulting impact on average household water charges has been modelled across the 10-year WSDP period.

Efficiency assumptions

- **Why**: Efficiency gains are a significant driver for price reductions under the regional model.

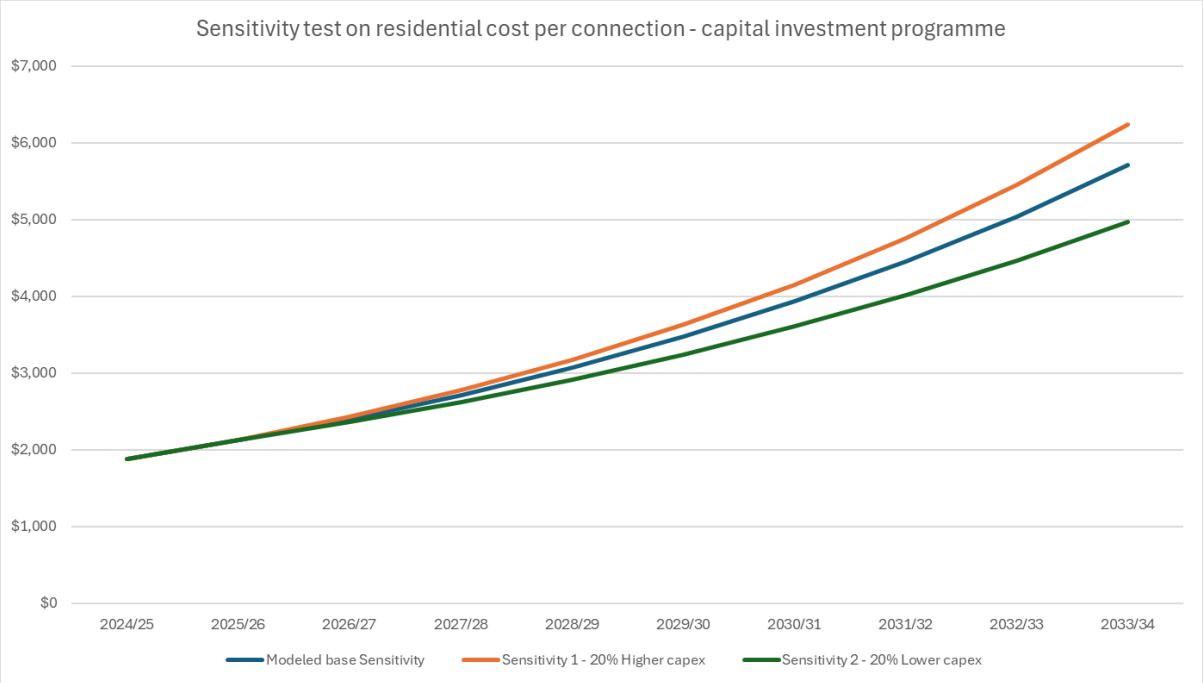
Scenarios Tested

- *Base assumption*: 2.25% opex / 1.55% capex per annum, plus a 15% step change in FY29.
- **Sensitivity 1 - Reduced efficiencies:** 1% opex / 1% capex gains. No step change.
- **Sensitivity 2 – Increased efficiencies:** 3% opex / 2% capex. 15% step change



Capital Investment Programme (Capex Levels)

- **Why**: Capital spend is the single largest driver of price increases.
- **Scenarios Tested**
  - **Sensitivity 1 - Higher capex:** Capital expenditure levels at 120% of modelled plan from FY28
  - **Sensitivity 2 - Lower capex:** Capital expenditure levels at 80% of modelled plan from FY28

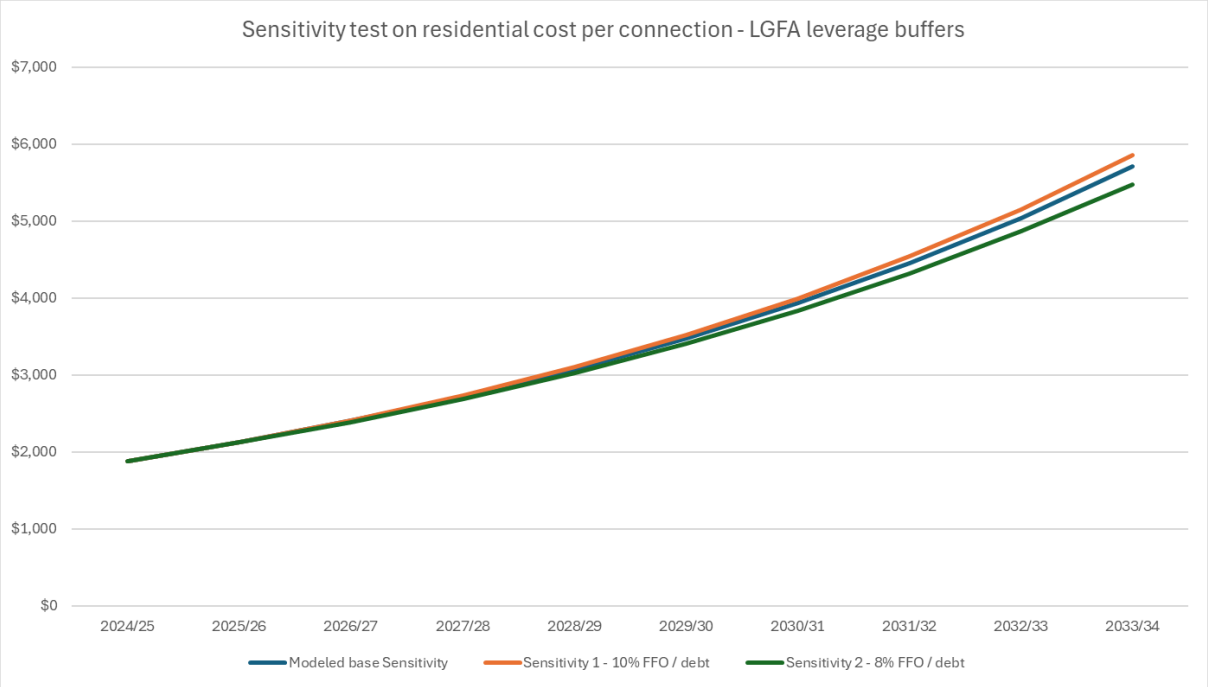


Development Contributions (DCs)

- **Why**: DCs offset capital costs and over time reduce required revenue from households.
- **Scenarios tested**:
    - **Sensitivity 1 – Lower DC recovery:** Half modelled DCs from FY28
    - **Sensitivity 2 – Higher DC recovery:** Double modelled DCs from FY28

Borrowing Parameters / LGFA Leverage Buffers

- **Why**: The ability to borrow longer-term or use higher leverage can flatten price paths.
- **Scenarios tested**:
    - **Sensitivity 1 – Higher FFO / Debt ratio:** 10%
    - **Sensitivity 2 – Lower FFO / Debt ratio:** 8%

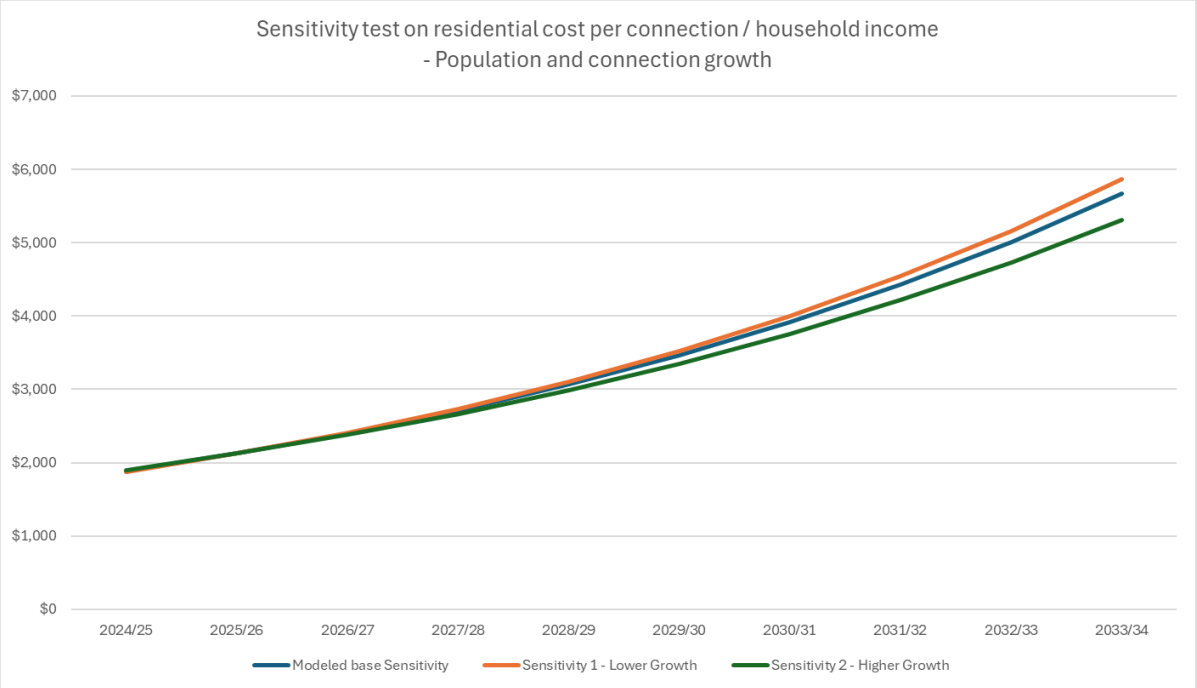


Population and connection growth

- **Why**: Population growth determines both the demand for infrastructure and the number of connections over which costs can be spread.

  Scenarios tested:

  - **Sensitivity 1 – Low-growth:** Connection growth at half the current council forecasts from FY27
  - **Sensitivity 1 – High-growth:** Connection growth at double the current council forecasts from FY27

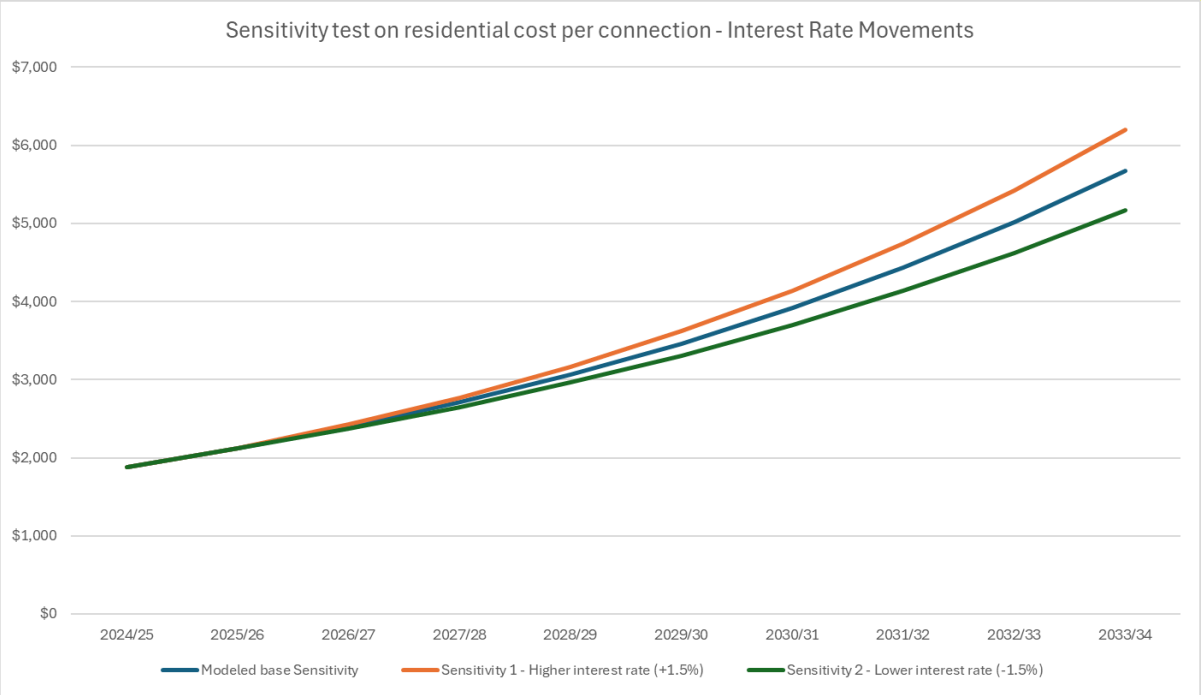


Interest rate movements

- **Why:** Given the scale of planned borrowing, interest costs are a major driver of Metro Water's long-term financial profile. While the model assumes a stable average borrowing rate, actual rates are subject to market volatility and refinancing risk.

  Scenarios tested:

  - **Sensitivity 1 – High interest costs:** +1.5%
  - **Sensitivity 2 – Lower interest costs:** -1.5%

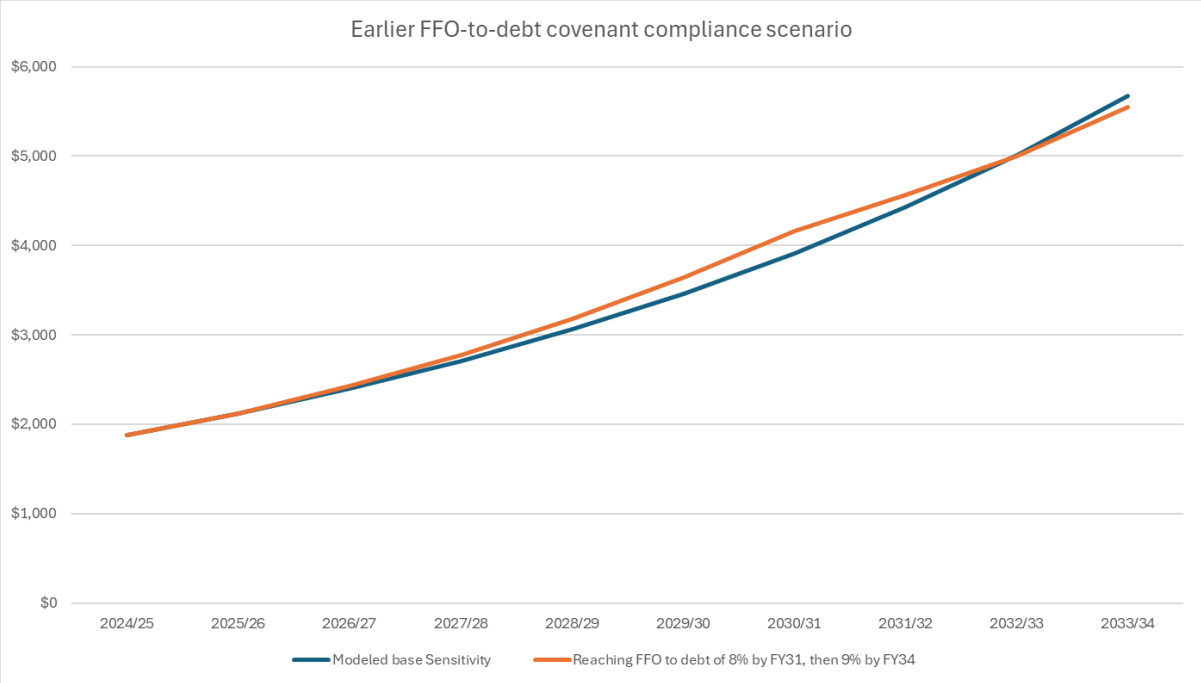


Earlier FFO-to-debt covenant compliance

- **Why**: LGFA's guidance allows up to five years from establishment for water entities to reach covenant compliance, with any longer glide path requiring approval by the LGFA Board. For Metro Water, this five-year window would conclude in FY31.
- While LGFA have indicated aa seven-year transition, allowing Metro Water to achieve the 8% compliance target by FY33, this scenario tests accelerated compliance by FY31.

  Scenarios tested:

  - **FFO-to-debt compliance by FY31**

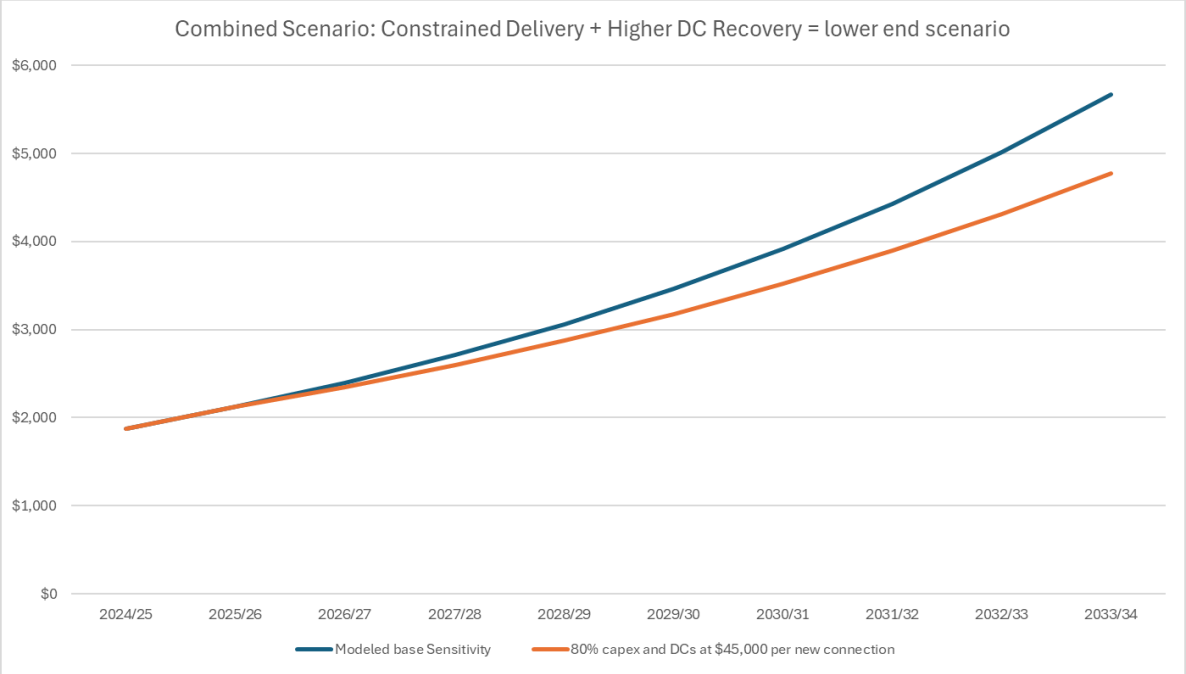


Combined Scenario: Constrained Delivery + Higher DC Recovery = lower end scenario

Why: The WSDP has identified both investment deliverability and growth cost recovery as key variables. This scenario tests the combined impact of two plausible shifts — one risk-based, one opportunity-based — to explore the layered effects on residential charges.

Scenario definition:

- **Constrained delivery:** Capital investment delivered at 80% of the planned programme (by value) from FY27. This reflects potential constraints in workforce capacity and local delivery readiness.
- **Higher development contribution (DC) recovery:** DC revenue modelled at $45,000 per new connection by FY34, up from ~$17,500 in the current model. This reflects a policy opportunity from the proposed introduction of Developer Levies that Metro Water may choose to pursue.



Commentary

A slower pace of delivery could help moderate customer charges by reducing borrowing needs, while improved growth cost recovery may further ease the costs on customers by allocating more costs to growth-related developments. Together, these shifts may offer a potential balanced and affordability pathway — one that acknowledges potential delivery constraints while leveraging new funding tools.

However, constrained delivery also carries risks, including delays in addressing critical network performance issues, deferral of compliance-related upgrades, and slower realisation of customer, environmental, growth, and resilience benefits. It may also reduce flexibility to optimally sequence projects — particularly those with time-bound regulatory consents or interdependencies — increasing the risk of misalignment with statutory or service level obligations.

Higher Developer Levies may also affect the pace or location of growth, depending on how they interact with housing supply economics and local market conditions.

Conclusion

These sensitivity scenarios highlight both the key uncertainties and the strategic levers available to Metro Water to manage affordability in a complex and evolving environment. While the base case sets out a financially sustainable pathway, outcomes remain sensitive to changes in efficiency performance, capital investment scale and pace, and development contribution revenue.

The analysis underscores the need for adaptive financial management, robust monitoring, and sufficient flexibility within the water services financial strategy to respond effectively to changing circumstances over the life of the plan.

Appendix C12: Projected charges for residential households

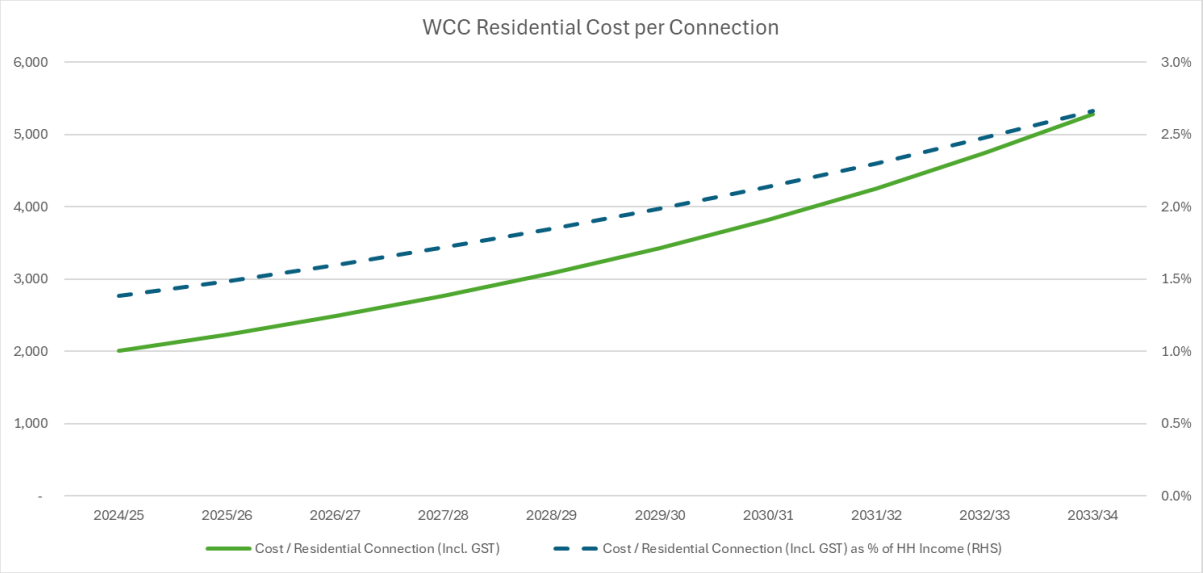
This appendix presents the projected average water charges for residential households across each participating council over the 10-year period of the Plan. These figures reflect each council's unique starting point, debt balances, growth assumptions, and capital investment profile.

Projected charges are based on a cost-to-serve approach that reflects localised infrastructure needs and delivery costs. Over time, pricing is expected to move toward regional harmonisation. However, the pace and structure of that transition remain uncertain, and this may impact how prices evolve in each council area.

The projected average residential charges presented are indicative only. They are based on current council revenue and connection data, using existing rating policies to estimate the split between residential and non-residential customers. Figures have been extrapolated using forecast revenue requirements and projected growth in water supply connections. Final pricing decisions will be determined by Metro Water once established. Note that Wellington City Council's sludge minimisation levy is excluded from these residential charge estimates.

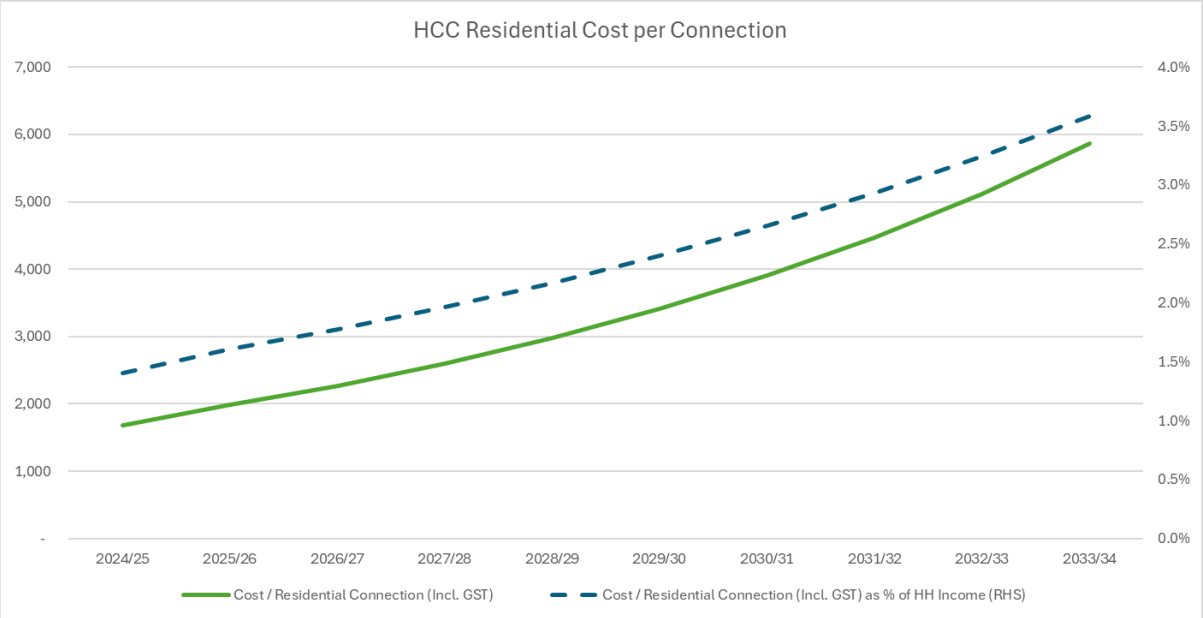
Wellington City

Average charge per connection										
Inflated $	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Revenue requirements ($000s)										
Residential	125,790	140,827	157,802	176,822	198,135	222,016	248,776	278,762	312,362	350,011
Other	69,894	78,249	87,680	98,248	110,090	123,360	138,229	154,890	173,559	194,478
Total revenue requirement	**195,684**	**219,076**	**245,482**	**275,070**	**308,225**	**345,376**	**387,005**	**433,651**	**485,920**	**544,489**
Projected number of residential connections	72,209	72,645	73,081	73,519	73,960	74,404	74,851	75,300	75,752	76,206
Projected number of non-residential connections	3,988	4,012	4,036	4,060	4,085	4,109	4,134	4,159	4,184	4,209
Total connections	**76,197**	**76,657**	**77,117**	**77,580**	**78,045**	**78,513**	**78,984**	**79,458**	**79,935**	**80,415**
Average charge per residential connection (including GST)	**2,003**	**2,229**	**2,483**	**2,766**	**3,081**	**3,432**	**3,822**	**4,257**	**4,742**	**5,282**
Projected increase		11.3%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%
Projected median household income	144,808	149,949	155,272	160,785	166,492	172,403	178,523	184,861	191,423	198,219
Water services charges as % of household income	**1.4%**	**1.5%**	**1.6%**	**1.7%**	**1.9%**	**2.0%**	**2.1%**	**2.3%**	**2.5%**	**2.7%**



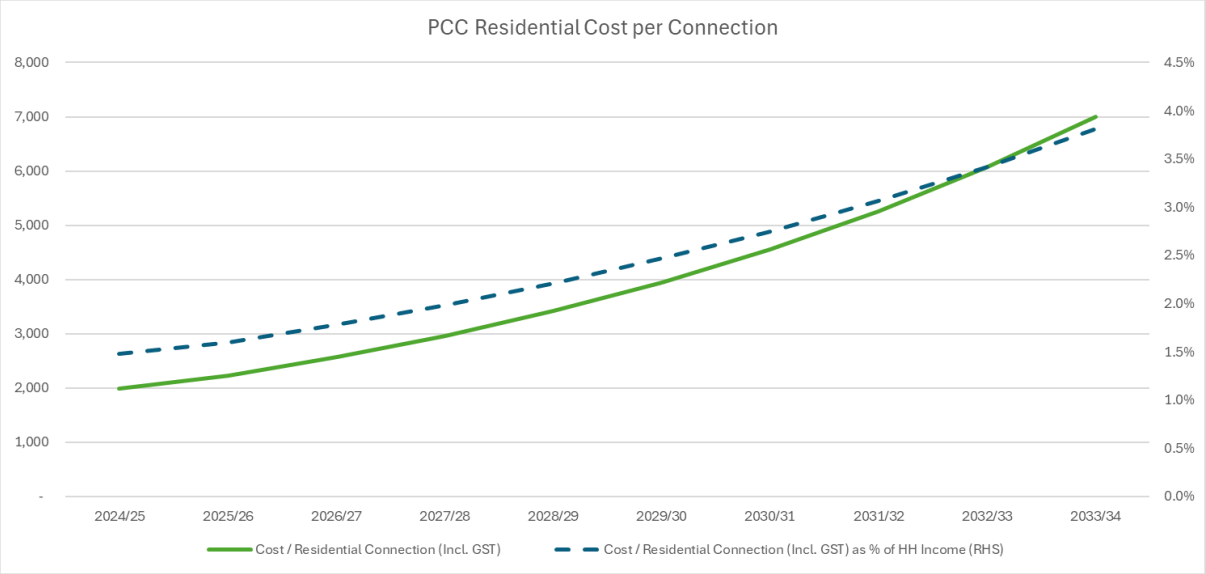
Hutt City

Average charge per connection										
Inflated $	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**	**FY32**	**FY33**	**FY34**
Revenue requirements ($000s)										
Residential	55,983	66,671	77,030	88,997	102,824	118,799	137,256	158,581	183,219	211,684
Other	14,761	17,579	20,310	23,465	27,111	31,323	36,189	41,812	48,308	55,813
Total revenue requirement	**70,744**	**84,250**	**97,339**	**112,462**	**129,935**	**150,122**	**173,445**	**200,392**	**231,526**	**267,497**
Projected number of residential connections	38,325	38,674	39,022	39,373	39,727	40,085	40,445	40,809	41,177	41,547
Projected number of non-residential connections	2,968	2,995	3,022	3,049	3,077	3,104	3,132	3,160	3,189	3,218
Total connections	**41,293**	**41,669**	**42,044**	**42,422**	**42,804**	**43,189**	**43,578**	**43,970**	**44,366**	**44,765**
Average charge per residential connection (including GST	**1,680**	**1,983**	**2,270**	**2,599**	**2,977**	**3,408**	**3,903**	**4,469**	**5,117**	**5,859**
Projected increase		18.0%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
Projected median household income	119,377	123,614	128,003	132,547	137,252	142,125	147,170	152,395	157,805	163,407
Water services charges as % of household income	**1.4%**	**1.6%**	**1.8%**	**2.0%**	**2.2%**	**2.4%**	**2.7%**	**2.9%**	**3.2%**	**3.6%**



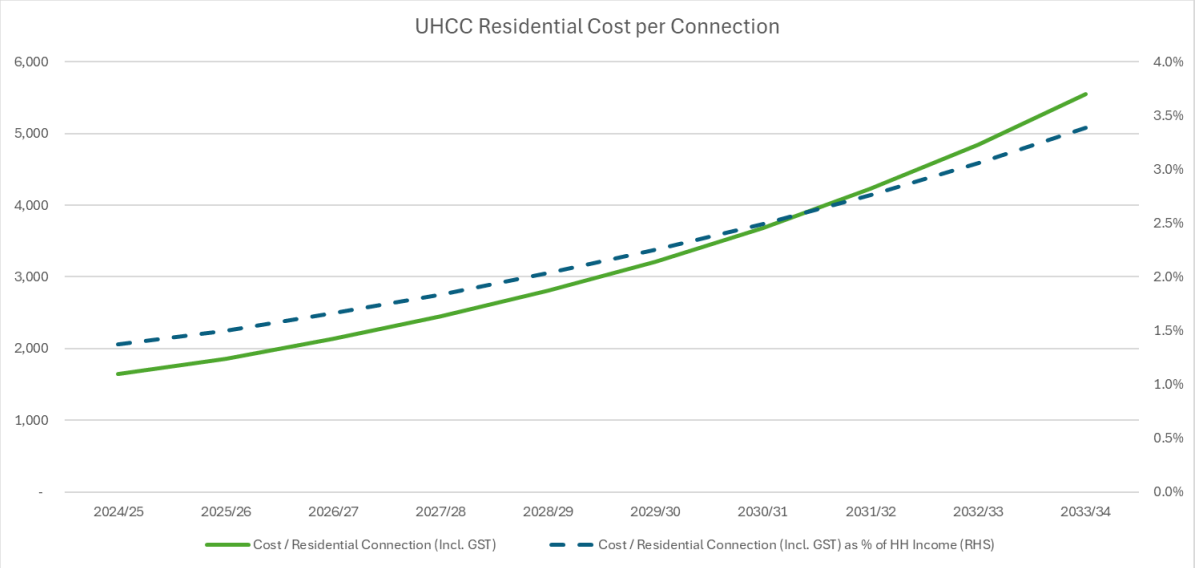
Porirua City

Average charge per connection										
Inflated $	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**	**FY32**	**FY33**	**FY34**
Revenue requirements ($000s)										
Residential	34,591	38,989	45,457	52,998	61,790	72,041	83,992	97,927	114,172	133,113
Other	7,334	8,266	9,638	11,237	13,101	15,274	17,808	20,762	24,207	28,223
Total revenue requirement	**41,925**	**47,255**	**55,094**	**64,235**	**74,891**	**87,315**	**101,801**	**118,689**	**138,379**	**161,336**
Projected number of residential connections	19,978	20,180	20,382	20,586	20,791	20,999	21,209	21,421	21,636	21,852
Projected number of non-residential connections	1,115	1,126	1,137	1,149	1,160	1,172	1,183	1,195	1,207	1,219
Total connections	**21,093**	**21,306**	**21,519**	**21,734**	**21,952**	**22,171**	**22,393**	**22,617**	**22,843**	**23,071**
Average charge per residential connection (including GST)	**1,991**	**2,222**	**2,565**	**2,961**	**3,418**	**3,945**	**4,554**	**5,257**	**6,069**	**7,005**
Projected increase		11.6%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%
Projected median household income	134,323	139,091	144,029	149,142	154,437	159,919	165,596	171,475	177,562	183,866
Water services charges as % of household income	**1.5%**	**1.6%**	**1.8%**	**2.0%**	**2.2%**	**2.5%**	**2.8%**	**3.1%**	**3.4%**	**3.8%**



Upper Hutt City

Average charge per connection										
Inflated $	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**	**FY32**	**FY33**	**FY34**
Revenue requirements ($000s)										
Residential	22,101	25,435	29,593	34,431	40,059	46,608	54,228	63,093	73,407	85,407
Other	3,139	3,612	4,202	4,889	5,689	6,619	7,701	8,960	10,424	12,129
Total revenue requirement	**25,240**	**29,047**	**33,796**	**39,320**	**45,748**	**53,227**	**61,928**	**72,052**	**83,831**	**97,536**
Projected number of residential connections	15,471	15,707	15,943	16,182	16,424	16,671	16,921	17,175	17,432	17,694
Projected number of non-residential connections	670	681	691	701	712	722	733	744	755	767
Total connections	**16,142**	**16,388**	**16,633**	**16,883**	**17,136**	**17,393**	**17,654**	**17,919**	**18,188**	**18,460**
Average charge per residential connection (including GST)	**1,643**	**1,862**	**2,135**	**2,447**	**2,805**	**3,215**	**3,685**	**4,225**	**4,843**	**5,551**
Projected increase		13.4%	14.6%	14.6%	14.6%	14.6%	14.6%	14.6%	14.6%	14.6%
Projected median household income	119,805	124,058	128,462	133,023	137,745	142,635	147,699	152,942	158,371	163,994
Water services charges as % of household income	**1.4%**	**1.5%**	**1.7%**	**1.8%**	**2.0%**	**2.3%**	**2.5%**	**2.8%**	**3.1%**	**3.4%**


UHCC Residential Cost per Connection
6,000
5,000
4,000
3,000
2,000
1,000
-
4.0%
3.5%
3.0%
2.5%
2.0%
1.5%
1.0%
0.5%
0.0%
2024/25
2025/26
2026/27
2027/28
2028/29
2029/30
2030/31
2031/32
2032/33
2033/34
Cost / Residential Connection (Incl. GST)
Cost / Residential Connection (Incl. GST) as % of HH Income (RHS)

Appendix C13: Council specific investment outcomes

This appendix provides an overview of capital investment and anticipated outcomes specific to each council. All figures presented here are uninflated, pre-efficiencies and include projects currently being delivered by the councils outside of Wellington Water.

Hutt City Council

Capital investment by strategic outcome

WSDP Strategic Outcome	10-Year Total	30-Year Total
Catch up	562,837,631	1,083,129,346
Keep up	426,711,261	2,077,979,797
Build up	473,398,095	1,218,149,990
Clean up	184,670,731	1,025,756,223
Faults	113,670,080	315,578,959
Resilience	66,196,746	566,776,746
Grand Total	**1,827,484,544**	**6,287,371,062**

Capital investment by asset type

Asset Type	10-Year Total	30-Year Total
Control Systems	5,561,604	15,675,000
Network	1,257,116,138	4,893,150,410
Non-Asset Based	16,055,568	55,605,568
Other	2,139,453	2,139,453
Pump stations	36,131,963	196,667,498
Reservoirs	115,616,384	233,009,204
Resource Consents	7,663,694	7,663,694
Storage	66,957,543	156,891,738
Treatment Plants	320,242,198	726,568,498
Grand Total	**1,827,484,544**	**6,287,371,062**

Capital investment by water

Water	10-Year Total	30-Year Total
Drinking Water	509,117,459	1,450,917,208
Stormwater	407,859,462	1,893,616,988
Wastewater	431,115,246	1,797,828,712
Wastewater JV	479,392,377	1,145,008,153
Grand Total	**1,827,484,544**	**6,287,371,062**

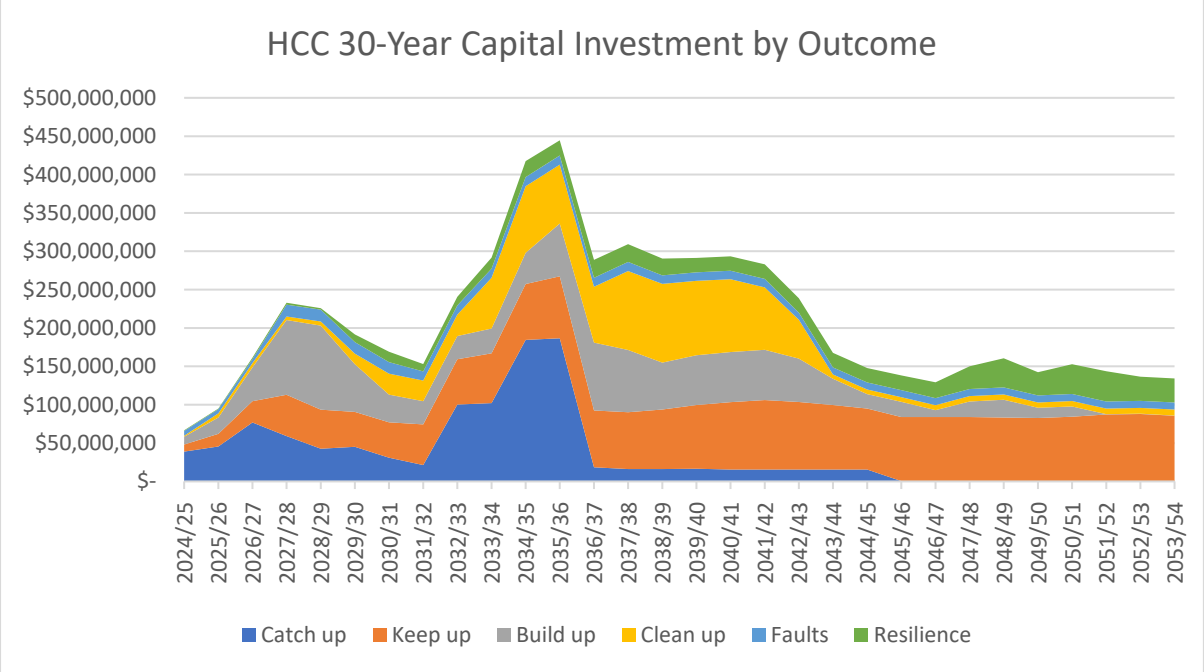
30-year investment highlights

- $488.7M for HCC's share of the Seaview WWTP JV Main Effluent Outfall delivered by FY35/36 ($474.7M in addition to the baseline LTP). The spike in "catch up" renewals in short term is due to the Seaview Outfall pipe.
- $256.0M WWNO subcatchment reduction plan - Black Creek fully funded from FY27/28 ($71.3M investment in the LTP period)
- $2,522.6M investment in planned and reactive network renewals over the full 30 years ($208.6M increase in the LTP period)
- $1,218M in infrastructure to support growth over 30 years.
- $249.7M in renewals and level of service improvements at the Seaview WWTP (excluding the Seaview Outfall Pipe)
- $558.2M to improve flooding issues through the Hutt Valley over the 30 years. All activity started in the LTP period, but main delivery is beyond 2034/35.

Outcomes

- Significant improvement in the age of the network.
- Some localised improvement in freshwater quality above that funded in the LTP (Black Creek wastewater overflow reduction)
- Ability to support more widespread growth, but not FY2034/35 onwards. Due to significant cost of the Seaview outfall pipe in the short term.
- Improved resilience through flood reduction
- Compliance issues at Seaview WWTP addressed, but construction of the outfall pipe does not commence when required to meet resource consent requirements. It is currently programmed as early as financially possible.
- Reservoir contamination risks addressed

Capital investment profile



Porirua City Council

Capital investment by strategic outcome

WSDP Mapping	10-Year Total	30-YearTotal
Catch up	122,048,960	213,648,960
Keep up	303,504,346	793,225,996
Build up	281,339,204	1,139,612,840
Clean up	116,198,362	355,974,362
Faults	93,295,733	145,983,294
Resilience	70,326,875	325,480,274
Grand Total	**986,713,479**	**2,973,925,726**

Capital investment by asset type

Asset Type	10-Year Total	30-Year Total
Control Systems	3,576,568	7,298,626
Network	645,708,337	2,276,715,403
Non-Asset Based	14,662,808	49,372,202
Other	3,880,232	24,567,792
Pump stations	51,287,409	100,984,163
Reservoirs	88,984,715	155,548,029
Resource Consents	4,747,399	5,753,759
Storage	59,530,734	97,530,734
Stormwater storage / treatment	273,572	273,572
Treatment Plants	113,314,601	255,134,343
(blank)	747,103	747,103
Grand Total	**986,713,479**	**2,973,925,726**

Capital investment by water

Water	10-Year Total	30-Year Total
Drinking Water	307,507,222	654,311,689
Stormwater	160,041,303	754,251,294
Wastewater	360,723,138	1,226,060,106
Wastewater JV	158,441,816	339,302,636
Grand Total	**986,713,479**	**2,973,925,726**

30-year investment highlights

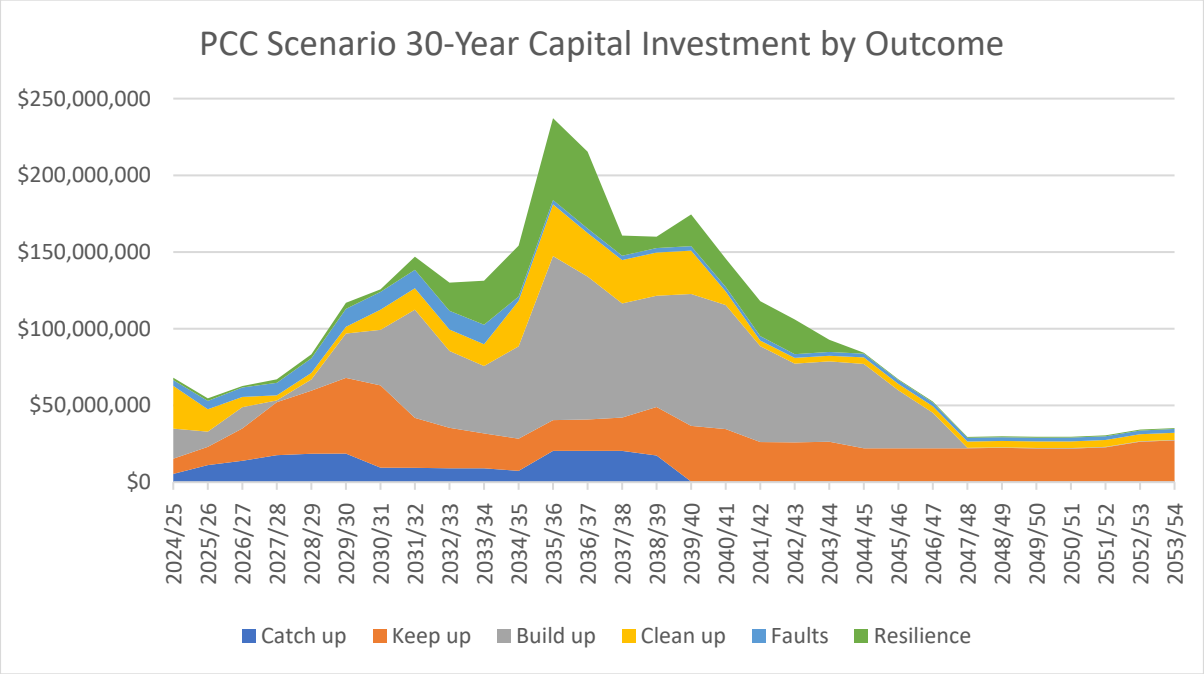
- $703.0M in planned and reactive network renewals ($40.0M increase in the LTP period)
- $205.6M in WWTP renewals and level of service improvements, including $47.1M from FY27/28 for the sludge reduction dryer.
- $1,139.6M in growth related infrastructure, including $85.0M for the Paremata Wastewater Trunk Main Upgrade Stage 2 from FY27/28 and $500.0M allocated for the Eastern Porirua Regeneration Project.

- $323.2M to reduce flooding risks.

Outcomes

- Widespread increased investment in renewals will reduce asset age.
- Flooding risks will be lowered in isolated areas, but more investment or other interventions may be required.
- Growth enabling infrastructure added to programme, particularly in the eastern Porirua area.
- Compliance and environmental issues at the wastewater treatment plant addressed.
- The health of streams, rivers and harbours improves.

Capital investment profile



Upper Hutt City Council

Capital investment by strategic outcome

WSDP Mapping	10-Year Total	30-Year Total
Catch up	185,313,620	335,747,431
Keep up	211,034,811	956,440,124
Build up	29,452,894	301,386,023
Clean up	41,488,612	603,115,612
Faults	31,061,408	87,548,087
Resilience	27,999,642	90,859,642
Grand Total	**526,350,987**	**2,375,096,919**

Capital investment by asset type

Asset Type	10-Year Total	30-Year Total
Control Systems	7,146,998	28,707,083
Network	338,124,780	1,632,826,438
Non-Asset Based	8,502,088	29,202,088
Pump stations	7,162,507	35,302,300
Reservoirs	22,892,304	279,710,772
Resource Consents	4,179,819	4,179,819
Storage	1,095,836	35,781,919
Stormwater storage / treatment	0	18,000,000
Treatment Plants	137,246,656	311,386,499
Grand Total	**526,350,987**	**2,375,096,919**

Capital investment by water

Water	10-Year Total	30-Year Total
Drinking Water	160,339,986	667,725,278
Stormwater	57,288,903	350,477,783
Wastewater	103,268,222	866,176,079
Wastewater JV	205,453,876	490,717,780
Grand Total	**526,350,987**	**2,375,096,919**

30-year investment highlights

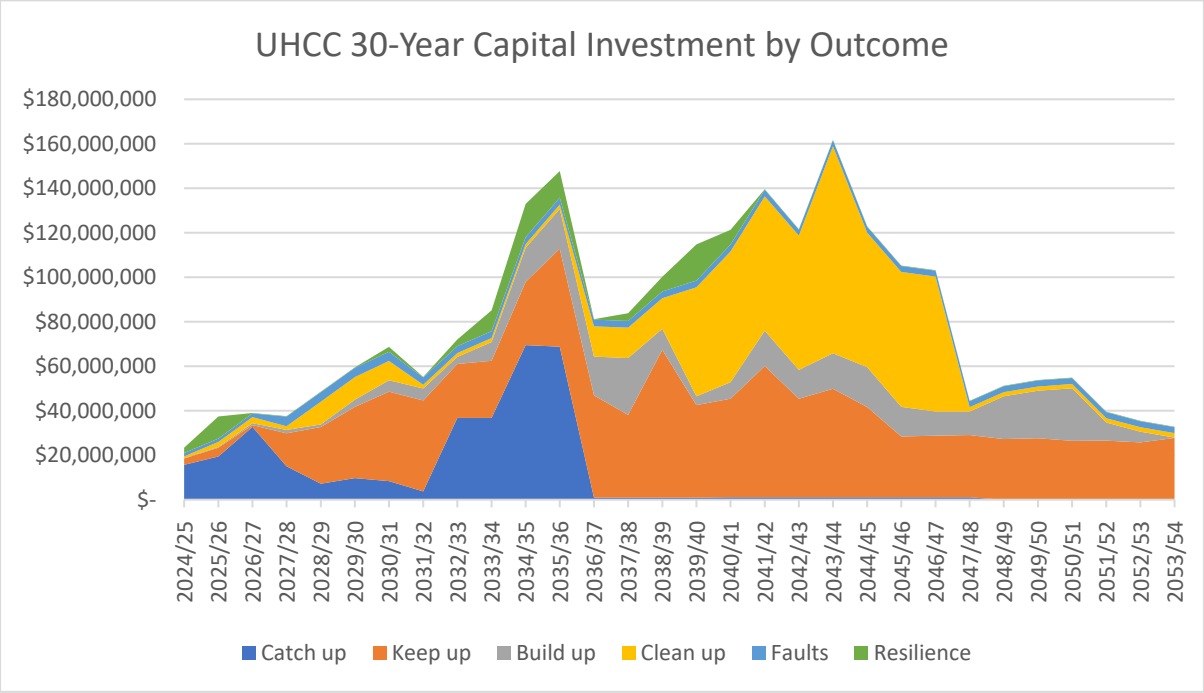
- $209.5Mfor UHCC's share of Seaview WWTP JV Main Effluent Outfall delivered by FY35/36 ($203.5 M in addition to the baseline LTP).
- $694.0M in planned and reactive network renewals (additional $38.3M in LTP period)
- $7.4.5M to fully fund Universal Residential Metering with roll out by FY31/32.
- $301.4M in growth infrastructure but mostly from FY2034/35 onwards due to the significant cost of the Seaview outfall pipe in the first 10 years.
- $118.3M to improve flooding risks.

- $567.3M to improve environmental water quality through the Network Discharge Consenting programme.

Outcomes

- Improvement in the age of the network, however, the annual budget for network renewals remains low in in the first 10 years due to the significant cost of the Seaview Outfall Pipe.
- Earlier investment in water metering aligns to regional approach to improving water supply security.
- Improved environmental water quality by fully funding the Network Discharge Consenting programme.
- Greater ability to support growth from FY234/35 onwards.

Capital investment profile



Wellington City Council

Capital investment by strategic outcome

WSDP Mapping	10-Year Total	30-Year Total
Catch up	900,071,487	1,500,268,092
Keep up	770,267,920	3,180,925,513
Build up	223,368,387	1,516,868,151
Clean up	501,307,362	1,597,855,502
Faults	131,846,310	445,758,309
Resilience	162,400,965	1,167,833,025
Grand Total	**2,689,262,432**	**9,409,508,593**

Capital investment by asset type

Asset Type	10-Year Total	30-Year Total
Control Systems	6,370,437	17,274,797
Network	1,821,995,086	7,292,987,427
Non-Asset Based	19,267,216	66,767,216
Other	6,750,000	6,750,000
Pump stations	89,123,725	409,537,830
Reservoirs	151,098,899	549,673,053
Resource Consents	16,280,353	16,663,993
Storage	42,676,024	271,676,024
Treatment Plants	535,700,692	778,178,253
Grand Total	**2,689,262,432**	**9,409,508,593**

Capital investment by water

Water	10-Year Total	30-Year Total
Drinking Water	686,028,856	2,032,593,411
Stormwater	466,329,620	2,186,156,106
Wastewater	1,476,503,485	5,061,411,662
Wastewater JV	60,400,471	129,347,414
Grand Total	**2,689,262,432**	**9,409,508,593**

30-year Investment Highlights

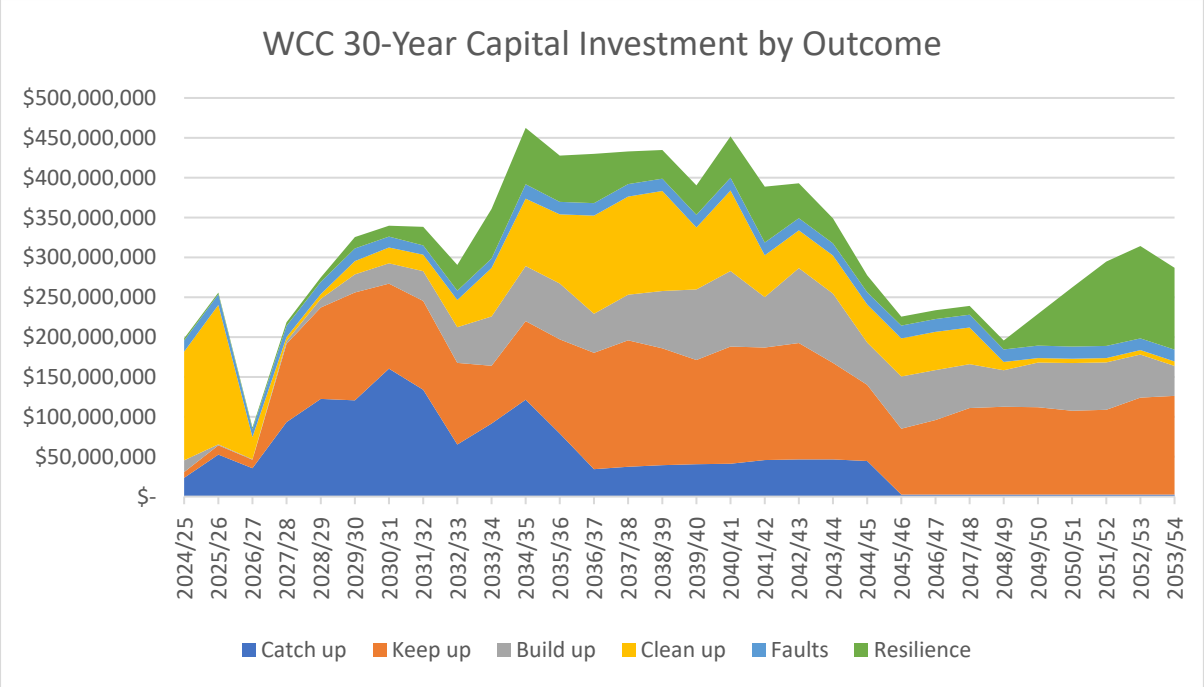
- $3,186.6M in planned and reactive network renewals including $89.4M to fully fund the Eastern Trunk Main from FY2027/28 ($70.1M in addition to the baseline LTP).
- $1,136.2M in flooding improvements
- $1,516.9M to support growth
- $759.3M in WWTP renewals and level of service improvements (including Porirua WWTP)
- $197.4M for the Western and Moa Point Outfall pipe renewals

- $90.4M to fully fund the Airport Interceptor from FY2028/29 ($84.9M in addition to the baseline LTP).

Outcomes

- Age of the network and pump stations is improved through significant uplift in panned and reactive network renewals.
- Overall improved reliability and availability of water services
- Freshwater quality improvements
- Increased ability to support growth
- Risk of wastewater asset failure at the Wellington Airport reduced.

Capital Investment Profile



Geater Wellington Regional Council

Capital investment by strategic outcome

WSDP Strategic Outcome	10-Year Total	30-Year Total
Catch up	70,609,837	172,959,168
Keep up	263,437,998	992,480,747
Build up	347,349,895	2,341,023,794
Faults	43,049,731	124,519,724
Resilience	61,342,445	687,229,445
Grand Total	**785,789,906**	**4,318,212,879**

Capital investment by asset type

Asset Type	10-Year Total	30-Year Total
Control Systems	16,298,976	38,680,015
Network	142,898,316	1,221,778,375
Non-Asset Based	1,282,456	3,282,456
Other	1,962,215	3,242,215
Pump stations	40,366,610	58,156,106
Reservoirs	23,003,957	50,015,782
Resource Consents	6,391,766	6,391,766
Source	301,993,657	958,185,657
Treatment Plants	251,591,953	1,978,480,505
Grand Total	**785,789,906**	**4,318,212,879**

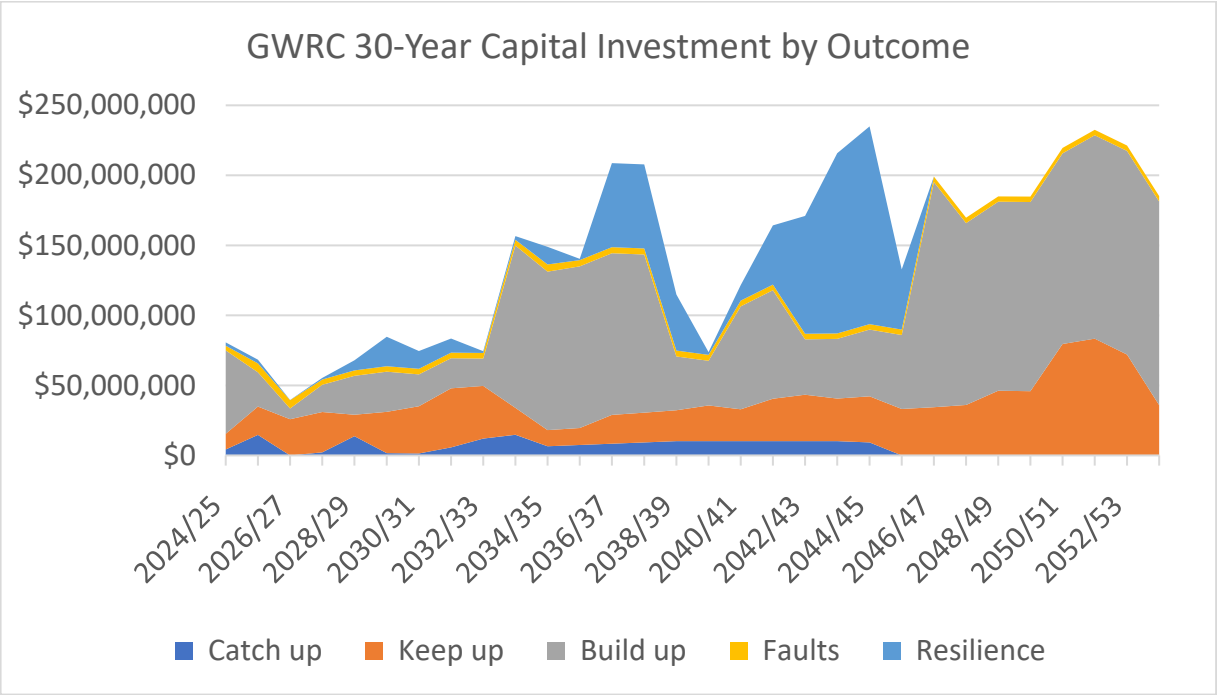
30-year Investment Highlights

- $649.6M to construct the Te Marua WTP Scheme Expansion Stage 1 (Pākuratahi Lakes 1 and 2 ($613.7M in addition to the baseline LTP). Investment for enabling works starts in FY2027/28 and main construction from FY2033/34 to FY2037/38.
- $500M construction of Te Marua WTP Scheme Expansion Stage 2 (Pākuratahi Lake 3 and WTP upgrade) spend from FY2051/52.
- $871.9M for other growth-related investment including additional capacity at Wainuiomata WTP.
- $687.2M to improve seismic resilience of critical water assets and improve the resilience of the network

Outcomes

- Water supply security increases and becomes more sustainable when the lakes are completed in 2037/38.
- Increased resilience to the water network with a new water treatment plant and cross harbour pipeline.
- Ability to support growth.
- Seismic resilience of the bulk water assets improved to meet the required earthquake resiliency standard in the mid-late term.

Capital Investment Profile



Appendix C14: Advice on the application of consequential opex to operations and maintenance budgets

WAUGH

MEMORANDUM

To:	Adrienne Black [Black Consulting Ltd]
Cc:	Dougal List [Scott Consulting Ltd], Dave Humm
From:	H. Blake-Manson, R. Blakemore [Waugh Infrastructure Management Ltd]
Date:	9th May 2025
Subject:	WSDP – Advice on the Application of Consequential Opex To Operations and Maintenance Budgets
Pages:	Three (3)

Kia ora Adrienne,

Thankyou for the query regarding consequential operations and maintenance expenditure (consequential opex) and its assignment to the forecast investment statement required as part of the Water Service Delivery Plan. We have considered this below.

1. Recommendation

It is recommended for the purposes of this Water Service Delivery Plan that consequential opex is applied as follows:

a) For growth on a per connection basis **and** from the year that growth is projected to occur i.e., 1% growth projection result in an additional proportionate uplift opex uplift

b) 4% of capital estimate. Applies to capital project/programmes over $20M **and** where there is a likely increase in complexity e.g., smart water meters **and** from the year that project is programmed

An exception to this is the Pākuratahi Lakes. A factor of 1% should be applied due to disproportionate capital costs

Notes: i) the most appropriate method for determining the value of consequential opex is via assessment at the time of project commissioning (prior to hand-over to a service provider), ii) if the assessment has not been completed then pricing by a specialist service provider or QS could be undertaken as soon as possible during the operations/maintenance phase.

2. Context of Assessment

The financial sufficiency assessment being formulated as part of the WSDP has many components. Accommodation of consequential opex (CO) is considered appropriate as part of the assessment. Here CO is defined as:

> additional operations and maintenance costs arising where new activities are required to ensure the asset/s achieves all required performance and compliance specifications

When considering lifecycle costs, these can be assigned into the following general phases: acquire, maintain, renewal and disposal.

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www.waughinfrastructure.com

Wellington Water has identified via previous asset management maturity assessments that it intends to demonstrate achievement of a core level of maturity. Accounting for CO is appropriate (scale is Aware, Basic, Core, Intermediate, Advanced). It is therefore relevant an important that it is included in the investment sufficiency forecasts.

It is not unusual for CO to be included by New Zealand's 3Waters asset owner operations and maintenance budgets. This is particularly the case for high growth rate councils where new and sometimes complex assets are being added as development occurs.

3. Exclusions

This advice does not consider whether CO has been applied to existing opex budgets. We have undertaken a high level desktop assessment only, and rely on the interpretation of project titles and prior knowledge of Wellington Water Ltd asset plans.

Considering the asset lifecycle:

- CO costs are incurred during the 'acquire' phase however these cannot currently be quantified and are not considered further e.g. acceptance of defects resulting from capital works issues. For example 'pipe dipping' requiring periodic flushing where none should exist
- while there may be CO incurred during the disposal phase e.g., labour costs, demolition support, this is not been evaluated here
- efficiencies will be applied by others and separate to CO. I note that new assets have baked' in' costs that are generally very difficult to reduce unless elements such as consumable/materials can be purchased at scale and discounted costs.

4. Consequential costs across the asset lifecycle

A brief assessment – see Table One considers CO in the maintenance phase only.

Table One: Consequential opex in the maintenance phase

	Category in Maintain Phase	Comments
Item	**Operating**	Identify significant sub categories e.g., electricity where CO will be incurred
	Maintenance	
1	scheduled/planned maintenance	Majority of assets should have periodic planned maintenance already. Should be criticality component based (increased frequency for high criticality assets, related to complexity/specialists required)
2	reactive repairs	should be low for new well designed/constructed assets. Increases as asset ages subject to use/purpose e.g., corrosive wastewater, water treatment chemicals, outfalls
3	intermittent maintenance	n/a
4	alteration/reconfiguration	driven by change in demand (growth/decline), legislation (standards, regional polices etc)
5	holding spares	held by the asset owner or assigned supplier (critical spares only), requiring time/time inspection/servicing/storage
	Risk exposure	Note: excludes potential residual risk exposure, capital use

6	insurance	Not considered – included elsewhere in the financial assessment
7	risk mitigation measures	resulting from health/safety, public, preparation and response to climate/natural hazards 8)
8	admin/support	Not considered – included elsewhere in the financial assessment
9	interest cost on borrowing	
10	depreciation	

5. Application to Wellington Metropolitan Councils

There are three factors at play which will give rise to CO:

i) Connection based growth

Comment: Green field network extensions and brown field infill will result in increased opex costs. This includes items such as valve exercising, network flushing, cleaning new pumpstations.

ii) The high volume/proportional cost of reactive works due to poor network condition and performance

Comment: This is likely to require continued year on year effort and investment until c. 2/3rd of renewals or high criticality renewals are completed. Further, in the short term the level of reactive repairs may increase until a significant quantity of network renewals are completed.

In the case of wastewater treatment plants, there are documented reviews which identify the previous form of contract drove underinvestment in maintenance. There will be a CO impact as a result, until renewals / refurbishment is completed.

Note: It is likely that some Councils have not increased opex to match an appropriate level.

iii) Complex **new** infrastructure

Comment: facilities such as complex new wastewater and water treatment plants, smart water meters. Examples are the Moa Point sludge minimisation facility, Pākuratahi Lakes.

Recommendation

Considering the matters above and discussions with CO would apply as follows:

- For growth using per connection growth forecasts
- Future new complex facilities and assets at 4% of the capital cost using a minimum threshold of $20M
- For Pakuratahi Lakes – 1% of capital costs

And note that evaluation of actual consequential opex should be determined through specialists' assessments.

Hugh Blake-Manson
Infrastructure Advisor

Appendix E1: Day zero and day one target end states and outcome statements

Day zero (1 October 2025) target end state: Metro Water has been incorporated, and establishment funding is in place. An Establishment Board has been appointed and is accountable for establishing Metro Water through an Establishment Director and Interim CE.	
Ref - MVP Outcome	**Target End State (MVP Outcomes)**
Governance and Leadership	
1	The interim Partners' Committee (AOG with delegations) consisting of mana whenua and Shareholder councils' representatives approved and appointed by councils by 22 August. The interim Partners' Committee would take affect by 15 September to support the appointment of the Establishment Board.
2	The appointment of an Establishment Board who commence mid-September 2025 to enable the incorporation of the organisation by 1 October.
3	The draft Constitution and Partners' Agreements are endorsed by councils prior to the Establishment Board being appointed. The draft Statement of Expectations will be endorsed by councils.
4	The principles of a Customer Charter are identified and endorsed by councils.
5	An Establishment Director has been appointed, and the critical roles of the Establishment Team are in place but further recruitment/seconding/contracting of the Establishment Team will continue past Day 0.
6	The search for an interim Chief Executive has commenced prior to Day 0 and ideally appointed soon after 1 October to commence early 2026.
Finance, Commercial and Legal	
7	Interim banking, accounting, tax, accounts receivable, invoicing and payment arrangements are in place.
8	Interim procurement and contracting processes are in place to support the establishment of the WO.
9	Essential support for the Establishment Board is in place.
10	Principles for debt transfer, including timing, process and indicative quantum are endorsed by councils.
11	The mechanism to uphold cost to serve approach agreed.
12	Establishment budget confirmed and in place.
13	The WO is legally incorporated and has an agreed legal name.
14	Developed revenue strategy, pricing and charging as part of WSDP.
15	Confirmed billing and revenue pass-through approach for Day 1 agreed and plan to deliver this underway.
16	Interim procurement and contracting processes identified and in place for Day 0 to Day 1.
Information Technology and Systems	
17	Review of current and future state IT requirements completed with clear plan and roadmap agreed by CE Group (this identifies the lift and shift of current Wellington Water IT systems, understands the Wellington Water current IT investment plan and future system requirements of the WO).
18	A functional lead is in place as part of the Establishment Team.
Customer	
19	A review has been completed of the current state and future state requirements for the customer journey in the new WO including alignment with IT requirements.
20	A plan has been developed that sets out what the minimum viable product is for Day 1 and what is needed to achieve this milestone.

21	A customer experience lead is in place as part of the Establishment Team.
People and Workforce	
22	A job transfer pathway identified and agreed.
23	A change approach and plan for the management of people change across councils, Wellington Water and the new WO.
Asset Management and Operations	
24	High-level Asset Management & Operations establishment approach developed.
Regulatory Compliance	
25	High-level Regulatory Compliance establishment approach developed.
Corporate Support	
26	High-level Corporate Support establishment approach developed.
Establishment Programme	
27	An establishment plan to achieve Day 0 has been endorsed by CE Group – complete. Endorsed by CE Group 29 May 2025.
28	Office space for the Establishment Team has been identified, potentially within existing council/Wellington Water properties.
29	Communications expertise is in place as part of the Establishment Team.

Day one (1 July 2026) target end state: Accountability and ownership of the customer relationship, assets, compliance and capital works are transferred to Metro Water. Funding arrangements and terms for debt transfer are in place along with critical staff and workable systems for Metro Water to operate. Some functions and support will continue to be provided by councils in the interim where necessary.	
Ref – MVP Outcome	**Target End State (MVP outcome)**
Governance and Leadership	
1	A permanent Partners' Committee consisting of mana whenua and shareholder council representatives is in effect.
2	The interim Establishment Board remains in place and the recruitment plan for a permanent Board has been agreed.
3	The recruitment approach and plan for a permanent CE has been agreed.
4	A Water Services Strategy is agreed and in place.
5	Tier two leadership roles filled, and individuals commenced employment.
Finance, Commercial and Legal	
6	Funding and financing certainty with financial arrangements in place to support the investment plan and operations.
7	Permanent banking facilities, treasury, tax, insurance and accounting processes and systems in place.
8	Debt and revenue transfer activities completed.
9	Transition Service Agreements in place between the WO and councils.
10	Interim revenue collections and pass-through billing arrangements operational at each council.
11	Pricing and revenue plan agreed including charging and confirmation of approach to development contributions.
12	Contracts have been novated and regulators notified.
13	Legal powers have been identified and transferred.
Information Technology and Systems	
14	Core enabling and delivery systems and protocols are operational such as payroll and people management (HRIS), finance, customers (CRM), asset management, cyber security and data management.
15	A clean, minimum data set has been migrated from Councils and Wellington Water to the WO.
16	All employees have the digital tools necessary to do their job.
17	An ICT support model is in place and staff know how to access support.
18	All employees, contractors and third-party suppliers can be paid.
19	Cyber security risk is understood and mitigated.
Customer	
20	The customer experience interface (systems and processes) with councils and the WO are implemented and in place.
21	Communication and engagement with customers regarding the WO, water billing and complaints/query processes and channels have been undertaken.
22	Customer data has been transferred from councils and Wellington Water.
23	Existing commercial customers have a key relationship manager in place and their contracts novated.
People and Workforce	

24	The WO has key leadership, management and critical roles filled.
25	The applicable council and Wellington Water staff have transferred to the new WO.
26	Staff can access key HR functions, systems and policies such as leave entitlements.
27	All equipment for staff to undertake their job is in place and accessible.
28	Payroll is in place.
29	Staff have an office location, security access including staff IDs.
Asset Management and Operations	
30	Assets have transferred and the WO is accountable for these.
31	Capital projects transferred and uninterrupted.
32	Accountability of for safe and complaint drinking water, wastewater and stormwater transferred to the WO.
33	Business continuity and incident and emergency management response plans and arrangements are in place.
Regulatory Compliance	
34	Regulatory obligations such as resource consents, water standards, health and safety, emergency management, economic regulation etc have been transferred to the WO who is now accountable.
Corporate Support	
35	All corporate functions have been established in the WO and have the capability and capacity to support the operations of the WO.

Appendix E2: Metro Water establishment roadmap

See the next four pages:

- Page 149: **Establishment of Metro Water Pre-establishment (April to October 2025)**
  - Key elected member inputs, decision points and milestones
  - Workstream 1: Governance and Ownership
  - Workstream 2: Detailed Establishment Plan to Day 0

- Page 150: **Establishment of Metro Water Pre-establishment (April to October 2025), continued**
  - Workstream 3: Councils
  - Workstream 4: Wellington Water

- Page 151: **Establishment of Metro Water Establishment (October 2025 to June 2026) and Post-establishment (July 2026 -)**
  - Key elected member inputs, decision points and milestones
  - Workstream 1: Governance & Leadership
  - Workstream 2: Detailed Establishment Plan to Day 1

- Page 152: **Establishment of Metro Water Establishment (October 2025 to June 2026) and Post-establishment (July 2026 -) continued**
  - Workstream 3: Councils
  - Workstream 4: Wellington Water

Roadmap: Establishment of Metro Water
Pre-establishment (April to October 2025)

Responsibility key:
- Elected Member
- WSDP Prog Team
- Establishment Team
- MetroWater
- Council
- Wellington Water

Day 0
Metro Water has been incorporated, and establishment funding is in place. An Establishment Board has been appointed and is accountable for establishing Metro Water through an Establishment Director and Interim CE.

1 April 2025 | 1 May 2025 | 1 June 2025 | 1 July 2025 | 1 August 2025 | 1 September 2025 | 1 October 2025

Key elected member inputs, decision points and milestones

Council workshops on delivery model. Hearings and deliberations to consider consultation feedback

Council workshops: foundation document and customer charter principles

By 30 Jun 25
Council decisions to confirm delivery model and decide to finalise WSDP

Council workshops: WSDP adoption and establishment / foundation documents

By 22 Aug 25
Councils decisions:
1. Adopt WSDP
2. Endorse Partners Agreement & Constitution, endorse principles for Customer Charter, SoE & transfer principles

26/08/25
AOG approve successful candidates for the Establishment Board and finalises foundation documents

1 Oct 25
Day 0
Metro Water incorporated and full Establishment Board appointed

Workstream 1: Governance and Ownership

Aim: Incorporate Metro Water and appoint Establishment Board by 1 October 2025

Initial drafting of critical day 0 foundation documents (partners agreement, constitution, statement of expectations) including role of mana whenua

Partners agreement, constitution, and principles for customer charter, transfer & SoE drafted post council workshops

Council review and finalisation of partners agreement, constitution, statement of expectations; and principles for customer charter, SoE & transfer agreement

Election Period

15/09/25
At least one Establishment Board member in place to support incorporation. General Counsel engaged.

Development of draft asset, liability, revenue and debt transfer principles as preferred pathway for endorsement following confirmation of delivery model and customer charter principles

Develop scope, accountabilities and terms for leadership roles and Establishment Board.
Develop appointment plan and interim CE recruitment development

Indicative timetable for Establishment Board recruitment and appointment

26/06/25
Council CEs approve Establishment Board search brief and approach

1/07/25
Establishment Board recruitment commences

Indicative timetable for Interim CE appointment

31/07/25
Steering Group approve Interim CE search approach and position description

17/10/25
Establishment Board appoint Interim CE

Workstream 2: Detailed Establishment Plan to Day 0

Aim: Complete the high-level planning and preparation required to support the Establishment Board to establish Metro Water by 30 June 2026

Finance, Commercial and Legal

Confirm Day 0 to Day 1 funding and financing approach including establishment budget

Develop proposed revenue approach, pricing, and charging. (including interim billing approach and transition period). Develop debt transfer approach.

Agree mechanisms to uphold cost to serve principle

Confirm detailed funding arrangements for Day 0 to Day 1

Draft Transfer Principles – debt, assets, liabilities

Agree cost to serve approach and mechanisms to uphold

Confirm Metro Water finance function arrangements for Day 0 to Day 1

29/05/25
Council CEs approve Establishment plan inc. Day 0 / Day 1 roadmap and MVP

Incorporation documents, including legal name prepared, approved and lodged

Information Technology & Systems

Customer

People & Workforce

Asset Management & Operations

Regulatory Compliance

Corporate Support

Council input to Day 0 and Day 1 MVP – 5 May hui

Develop Day 0 / Day 1 MVP and roadmap

High level requirements confirmed for the Day 1 MVP

Establishment plan

Documentation of delivery model and establishment plan in WSDP.

Conduct gap analysis and develop IT and systems implementation approach

Develop IT & systems establishment plan

Conduct gap analysis and develop customer approach

Develop customer establishment plan

Shareholder review and feedback on WSDP to inform detailed establishment planning.

Finalisation of delivery model and establishment approach in WSDP

Develop detailed People & Workforce, Asset Management & Operations, Regulatory Compliance, and Corporate Support establishment plans

Development of establishment plan to inform scope of functional areas establishment approach and detailed implementation planning.

Responsibility key:

- Elected Member
- WSDP Prog Team
- Establishment Team
- Metro Water
- Council
- Wellington Water

Roadmap: Establishment of Metro Water
Pre-establishment (April to October 2025)

1 April 2025 | 1 May 2025 | 1 June 2025 | 1 July 2025 | 1 August 2025 | 1 September 2025 | 1 October 2025

Election Period

Workstream 3: Councils

Aim: Support establishment planning, and prepare for the transfer of assets, debt, revenue, staff and accountabilities to Metro Water

Councils and Programme Team develop Transition Services Agreement for Day 0 to Day 1 and beyond. Establishment budget and funding, banking, treasury and other financial arrangements including insurance, IT, HR and other corporate support to Day 1. Customer services, billing and revenue, and other arrangements from Day 1

Procurement: Legal (including governance), IT, Customer Experience, Executive Search

Confirm FY 25/26 funding requirements and implications in Annual Plan

Conduct initial planning for the transfer of assets, debt, revenue, staff and accountabilities to Metro Water

Development of procurement plan for establishment resources

By 29/05/25
Council CEs approve procurement plan for Establishment Director & Core Team

Procurement: Establishment Director & Team

By 4/07/25
Steering Group select Establishment Director & Core Team

Identify key interdependencies and approaches required for debt transfer (including guarantees), billing (including pricing and charging) and revenue during transition

Establish interim banking and accounting arrangements for Metro Water

Develop 2026/27 Statement of Expectations for Metro Water

Ensure effective communications with staff and communities throughout planning and establishment process

Identify other interdependencies with MetroWater establishment and ensure these are adequately planned for and managed

Workstream 4: Wellington Water Limited

Aim: Support establishment planning, and prepare for the transfer of assets, staff and accountabilities to Metro Water

Conduct initial planning for the transfer of assets, staff, WIP, operations, contracts, customers and accountabilities to Metro Water. Commence initial planning for the disestablishment of WWL.

Identify key interdependencies and approaches required for the IT programme, other WIP, and change processes

Identify other interdependencies with WO establishment and ensure these are adequately planned for and managed

By 30/07/25
Steering Group endorsement of WWL RFP for IT programme

RFP development for IT programme and alignment with future WO Day 1 requirements

Cleansing of asset data

Continued delivery of Information Systems programme and alignment with council actions and Metro Water requirements

Ensure effective communications with staff and communities throughout planning and establishment process

Responsibility key:
- Elected Member
- WSDP Prog Team
- Establishment Team
- Metro Water
- Council
- Wellington Water

Roadmap: Establishment of Metro Water
Establishment (October 2025 to June 2026) and Post-establishment (July 2026 -)

1 October 2025 | 1 November 2025 | 1 December 2025 | 1 January 2026 | 1 February 2026 | 1 March 2026 | 1 April 2026 | 1 May 2026 | 1 June 2026 | 1 July 2026 | 1 August 2026 | 1 September 2026 | 1 October 2026

Election Period

Xmas

Key elected member inputs, decision points and milestones

- **By 31/12/25** Partners' Committee approve 26/27 SOE
- **By 31/12/25** Steering Group ratify finalised foundation documents
- **By 19/12/25** Partners' Committee appointed (TBC)
- Partners' Committee reviews 2026/27 Water Services Strategy
- **1 July 26 Day 1 Go-Live WO operational**
- Process to appoint enduring Board commences

Day 1 – Go-Live
Accountability and ownership of the customer relationship, assets, compliance and capital works are transferred to Metro Water. Funding arrangements and terms for debt transfer are in place along with critical staff and workable systems for Metro Water to operate. Some functions and support will continue to be provided by councils in the interim where necessary.

Workstream 1: Governance & Leadership

Aim: Establish Metro Water as operational WSP by 30 June 2026

- Establishment Board receives Partners' Agreement, Constitution, draft Statement of Expectations, transfer principles and Customer Charter principles.
- Councils and Metro Water develop Transfer Agreement
- **1/03/26** Board and Steering Group agree Transfer Agreement
- Metro Water develops Customer Charter
- **15/02/26** Board approves Customer Charter
- Final adjustments to schedules of Transfer Agreement
- **By 5/01/26** Interim CE in place
- Metro Water develops Water Services Strategy for 2026/27
- **By 30/06/26** Board approves WSS
- Process to appoint Permanent CE commences (TBC)
- Indicative timetable for Tier 2 appointment
- Finalisation of 2026/27 Statement of Expectations (with Councils)
- **5/01/26** Interim CE approval to recruit
- **1/03/26** Tier 2 appointed
- **By 15/04/26** Tier 2 in place

Workstream 2: Detailed Establishment Plan to Day 1

Aim: Deliver the MVP functional capabilities required for Metro Water to be operational by 1 July 2026

- Transfer Principles (debt, liabilities, assets revenue) confirmed and endorsed by Board
- Transition Services Agreement reviewed and amended as necessary (including SLAs and RAs) to support Metro Water operations beyond Day 1
- Insurance in place
- Detailed establishment plans for Finance, Commercial & Legal, Information Technology and Systems, Customer, People & Workforce, Asset Management & Operations, Regulatory Compliance, and Corporate Support functions finalised and endorsed by Board
- **19/12/25** Establishment Board approves Day 1 MVP, detailed establishment plans and transfer principals

Finance, Commercial and Legal
- Investment, price and finance plans finalised and endorsed by Board
- Give legal effect to economic/ commercial transfer

Information Technology & Systems
- TBC by 31/07/25
- TBC by 01/09/25

Customer
- TBC by 31/07/25
- TBC by 01/09/25

People & Workforce
- TBC by 31/08/25
- TBC by 01/10/25

Asset Management & Operations
- TBC by 31/08/25
- TBC by 01/10/25

Regulatory Compliance
- TBC by 31/08/25
- TBC by 01/09/25

Corporate Support
- TBC by 31/08/25
- TBC by 01/10/25

Roadmap: Establishment of Metro Water
Establishment (October 2025 to June 2026) and Post-establishment (July 2026 -)

Responsibility key:
- Elected Member
- WSDP Prog Team
- Establishment Team
- Metro Water
- Council
- Wellington Water

1 October 2025 | 1 November 2025 | 1 December 2025 | 1 January 2026 | 1 February 2026 | 1 March 2026 | 1 April 2026 | 1 May 2026 | 1 June 2026 | 1 July 2026 | 1 August 2026 | 1 September 2026 | 1 October 2026

Election Period

Xmas

1 July 26 Day 1 Go-Live Metro Water operational

Workstream 3: Councils

Aim: Support the establishment of Metro Water and transfer assets, debt, revenue, staff and accountabilities to Metro Water

- Development of 2026/27 Statement of Expectations for Metro Water
- Conduct detailed planning for debt transfer mechanics and transition period.
  - Develop Council treasury strategy and policy amendments
  - Confirm technical accounting approach
- Billing and revenue pass through arrangements have been finalised and are in place
- Prepare LTP amendments and Annual Plan 2026/27 revisions to key policies (e.g. Revenue and Financing policy) caused by establishment of Metro Water
- Initial LTP amendments and Annual Plan 2026/27 revision decisions and public consultation
- Final LTP amendment and Annual Plan 2026/27 decisions
- Day 1 compliance, regulation, emergency management, and H&S accountabilities confirmed
- Land ownership issues resolved, and title transfer arranged where appropriate
- Customer service arrangements have been finalised and are in place including processes and clarity of council role
- Novation or transfer of contracts and other arrangements developed
- Council staff change process complete

Workstream 4: Wellington Water Limited

Aim: Support the establishment of Metro Water and transfer assets, staff and accountabilities to Metro Water

- Day 1 compliance, regulation, emergency management, and H&S accountabilities confirmed
- Novation or transfer of contracts and other arrangements developed
- Execute novation/transfer plan
- Conduct detailed planning for the transfer of assets, staff, WIP, operations, contracts, customers and accountabilities to Metro Water. Conduct detailed planning for the disestablishment of WWL. Develop plan for delivery of water services to SWDC in 2026/7.
- Implement plans for the transfer of assets, staff, WIP, operations, contracts, customers and accountabilities to Metro Water. Conduct detailed planning for the disestablishment of WWL.
- Implement WWL disestablishment plan, including delivery of residual responsibilities.
- Align water meters project with Information Systems programme
- Cleansing of asset data
- Prepare working IT systems for transfer
- Continued delivery of Information Systems programme and alignment with council actions and Metro Water requirements